ISSN: 1684-4734

NAMIBIA BUSINESS JOURNAL

VOLUME 10 | ISSUE 3 | JUNE-JULY 2015

N$20.00 incl. VAT

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Distribution
Namibia Chamber of Commerce and Industry (NCCI)

Printers
Solitaire Press

Contents

NCCI
NAMIBIA CHAMBER OF COMMERCE AND INDUSTRY

GLOBE COMMUNICATIONS NAMIBIA

The Namibia Business Journal is published by
Namibia Chamber of Commerce and Industry (NCCI)
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Time for accelerated change

We have officially passed the halfway mark of 2015 as we work towards our organizational and national goals. Paradoxically because we are impatient to succeed, we are working with painstaking rigour, conscious of the time available, because as we know - time waits for no one.

It is a truly inspiring time to be alive and do business in Namibia. We are witnessing a period of accelerated change. The winds have swept through the country and the atmosphere is charged, expectant and optimistic. But to whom much is given, much is also expected. It is up to us as economic stewards to deliver on the people's expectations and realize our common aspirations.

It is also time for the responsibility to be shared equally and this can only be achieved by creating a more inclusive economy, one with opportunities and facilitated access for all Namibians to participate and add value. It is time to leverage the strength of the collective, for each man to assume his unique role and position. There is power in unity to do extraordinary things.

The NCCI and Business Namibia have pronounced a compelling vision: Agenda 2020 which aims to propel Namibia to the No. 1 economy on the African continent by the year 2020. We are currently at position No. 7. How challenging, yet how attainable!

Speaking of time, our Head of State Dr. Hage Geingob recently accounted for his time in Office when he delivered a review of his first 100 Days. Together with his Administration, he has managed to cover a lot of ground in a short period of time. At the same unprecedented occasion the Head of State announced the appointment of six Presidential Advisors - his A-Team.

With that development, the time has come for me to bid you farewell as Editor of the ***NBJ***. Although sad to say goodbye, I am also pleased to announce that I have been appointed to serve as Presidential Advisor on Youth and Enterprise Development, in the Office of the President. It has been an exceptional honour to engage on this valuable ***NBJ*** platform. I wish the editorial team continued success and you, our esteemed reader – plenty more hours of information, inspiration and implementation.

I conclude with this final thought: Namibia's future is perpetuating, but an optimistic vision alone is not destiny. To reach a collective destiny we need to harness individual potential. To build and sustain a winning nation, we need to help every Namibian man and woman to maximize potential. And the time to do so has come.

Signing off,

Daisry Mathias,
Editor

NCCI joins Govt war against poverty

NCCI President Sven Thieme

The Namibia Chamber of Commerce and Industry (NCCI), the country's leading business association with 2,500 members, says it shares the poverty eradication objective with the Government.

"The business community through NCCI supports President Hage Geingob's war on poverty and commitment to take the unemployed off the street," said Sven Thieme, NCCI President, during the Chamber's recent annual general meeting.

He expressed confidence that since NCCI has successfully laid foundation for investment, immediate challenges facing the country including unemployment and poverty are bound to be tackled effectively.

The NCCI President pledged to focus on stakeholder engagements and dialogue all over the country, as it is the best strategy to improve the business environment and make the economy competitive towards both Agenda 2020 and Vision 2030.

Thieme recognised peace and economic stability in the country over the years, saying that Namibians should take advantage of the situation. "We are fortunate to enjoy peace and political tranquillity in our country, which provides a favourable foundation for business. We have no reason to fail and we owe it, not only to ourselves but to, our children and generations after them," he said.

He further noted that there is need to strengthen the capacity of all NCCI branches and provide them with the necessary support needed to improve dialogue and results at regional level.

He called for the support of local businesses, service providers and producers in order for Namibia 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.

Thieme noted that the outgoing leadership of the Chamber made a strategic decision to mobilise all stakeholders to drive the Namibian economy towards becoming the most competitive in Africa by the year 2020.

"I am confident that together we can make Namibia an economic destination of choice, and build a united community of businesses in Namibia," he said.

The NCCI President said there is also a need to focus development efforts on economic facets, and grow labour resources to come together as a collective development impetus to work towards achieving Vision 2030 goals.

He said one of the fundamental ways to develop the economy is by employing "breakthrough thinking", and come together as one, take ownership of the country and proactively work to make it better.

Namibia's industrialisation imminent - Ngatjizeko

Minister Immanuel Ngatjizeko

Minister of Industrialisation, Trade and Small and Medium Enterprises Development, Immanuel Ngatjizeko is confident that Namibia is on the right path towards achieving its economic goal of being industrialised by 2030.

Ngatjizeko assured the nation that with the current enabling business environment created in the country and continued sound business competitiveness witnessed over the years, Namibia is poised to be a shining example not just on the continent but an economic and political model in the world.

He applauded President Hage Geingob's move to rename Ministry of Trade and Industry to Ministry of Industrialisation, Trade and Small and Medium Enterprises Development saying that it is a reflection of the government's resolve towards industrialisation.

Ngatjizeko was speaking during the official opening of the one-day Annual General Meeting of the Namibia Chamber of Commerce and Industry (NCCI) recently in Windhoek.

The minister urged the business community to remain steadfast in competitiveness through innovation and excellent service delivery in the public and private sectors to accelerate the country's growth.

He further said Namibia should desist from the tendency of being an import country, produce more local products and establish manufacturing industries to sufficiently feed its own population and have surplus exported to other countries.

Namibia heavily relies on neighbouring South Africa for imports accounting to about 65%, a situation which is not in favour of Namibia's competitiveness. "Countries create wealth not by exporting raw materials and importing finished products, but by doing the exact opposite.

"We have been given a clear mandate to drive the transformation of our economy from its dependency on the export of raw minerals into a manufacturing driven economy," said Ngatjizeko.

The minister explained that industrialisation requires a generally competitive economy driven by efficient public services and a very innovative private sector.

Therefore, he said, the government is working very seriously on the improvement of the administrative machinery, so as to minimise bureaucratic processes and ensure that it provides public services efficiently and competently.

He said there is a need to form a partnership between the private sector, labour organisations and civil society in order to drive the industrialisation and economic transformation agenda.

The minister indicated that the private sector is expected to play a pivotal role in the implementation of this agenda by investing in value-adding activities, thereby creating the much-needed employment opportunities and making a serious dent into unemployment, poverty and income inequality.

"For us to make speedy progress on this mission, we need to focus our attention on skills development and innovation," he said. He emphasised that a competitive manufacturing sector requires innovative minds and a highly skilled and competent workforce.

Current Global Competitive Report ranks Namibia 88 out of 144 countries, an improvement from previous years. According to the forum, the country continues to benefit from a relatively well functioning institutional environment (50th), with well-protected property rights, an independent judiciary, and a fairly efficient government.

The country's transport infrastructure is also good by regional standards (52nd) and financial markets continue to be reasonably developed (46th).

The report advises that in order to improve its competitiveness, Namibia must improve its health and education systems. The country ranks a low 118th on the health sub pillar, with high infant mortality and low life expectancy, the result, in large part, of its high rate of communicable diseases, although the data point to an improvement this year.

The report indicates that to move up the value chain and diversify its economy, efforts to build its human resource base will be critical: school enrollment rates remain low compared to other sub-Saharan upper-middle-income countries, and the quality of its education system remains poor (119th). In addition, Namibia could do more to harness new technologies to improve its productivity levels (89th).

The minister further noted that skills shortage has been identified as one of the biggest obstacles for the government to reach its economic growth targets and further encouraged for youth training. "Our youth are therefore expected to pursue training and skills development opportunities, which can develop them into skilled and innovative entrepreneurs and workers," he said.

In its latest report Namibia Training Authority (NTA) indicates that there is a widespread consensus that as a nation, Namibians are not yet equipped with the essential skills it needs to grow economically, and, more importantly, for the necessary employment growth so badly needed by Namibia's army of unemployed.

Vision 2030 can only be achieved by highly educated, skilled and inspired people. That is exactly why the NTA assumes a critical role to contribute to the establishment of an effective and sustainable system of skills formation that is aligned with the needs of the labour market and which provides the skills required accelerated development. Emphasis on education, NTA says, is vital.

WHAT MAKES GIPF?

Why the circle?

The circle is our symbol of longevity and continuation. It represents how our products, services and directives all come together in one holistic unity – every action feeding into the next.

Welcome to the Circle of Understanding.

01
THE FOUNDATION

GIPF is a business model directed by sound investment decisions and years of financial expertise. As a member of GIPF, and a user of our products and services, be assured you are standing on a solid foundation of know-how and credibilty.

02
THE DREAM

GIPF has one primary goal: To ease the minds of our valued members by having them know that their money is always working hard for them. GIPF is committed to ensuring every cent you invest always comes back full-circle to your pocket.

03
THE FIRE

We are ceaseless, tireless – we will not stop. We are here to benefit our members and that's exactly what we work towards every single day. We're here to safeguard your financial wellbeing and peace of mind. We're here for you!

To guard, and to grow.

GIPF stands to safeguard the financial prosperity of our members. Who we are and what we stand for is all contained in our newly envisioned corporate logo.

This is our brand promise. This is our mission. We are here for you. We are GIPF.

GIPF
Government Institutions Pension Fund

To guard, and to grow.

Oshakati Premier Electric marks 15 years of remarkable growth

SETTING THE BAR HIGH: OPE CEO Fillemon Nakashole

Oshakati Premier Electric (OPE) is without a doubt one of Namibia's success stories in electricity distributorship. Since its inception 15 years ago, OPE under the capable leadership of Fillemon Nakashole, the Chief Executive Officer, has been able to cope with the rising demand for electricity at the northern town, while at the same time mitigating today's challenges in electricity supply.

OPE's financials speak volumes of the company's success, growing turnover from N$14, 6 million a year after its inception in 2000 to N$122 million as at June 2015. The company's asset base also soared from N$10 million to N$105 million in the same period.

In terms of electricity consumption, Oshakati town, which is the main customer base of OPE, is ranked the fourth biggest consumer of electricity in Namibia after Windhoek, Walvis Bay and Swakopmund.

"In the year 2000 our customer base was about 2,500 and now we have doubled that to over 5,000. We started with six employees that were taken over from the Oshakati Town Council and today the company employs 42 fulltime employees without mentioning casual and student employees," said a beaming Nakashole.

OPE HIGHLIGHTS

Some of OPE's highlights in the past decade include the complete refurbishment of its massive electricity distribution network, the completion of the peri-urban electrification for all exiting localities in Oshakati, equipping almost all streets at the town with street lighting, installation of traffic lights at main intersections, ensuring and enabling fast connections to new customers.

Nakashole with some OPE employees

As a result of the rapid urbanisation of Oshakati, OPE has put in place measures to help it tackle the challenges associated with urban growth.

"We will within the next three to four years have to upgrade our NamPower bulk supply and possibly install a second NamPower substation in the northern part of Oshakati. Secondly, because of uncertainty in regional electricity supply, we are at an advanced stage with the implementation on our 10 megawatt solar PV plant at Oshakati," says Nakashole.

Known for his hands-on style of management, Nakashole says OPE has put in place measures and facilities to assist customers at all times.

"Customer service is key for our business. We have a 24-hour fault reporting centre and three 24-hour vending stations. In addition, we have entered into (service) ventures with banks, Mobipay, Tusk Mobile to enable our customers to purchase electricity at any time. We also use an SMS service to inform our customers for planned power interruption," he says.

BALANCING ACT

The CEO says OPE has over the years strived to maintain a balance as far as electricity tariffs are concerned. While it is imperative that the utility maintains sustainable tariffs in order for the company to remain sustainable, it is also important not to make the service too expensive for local businesses and residents.

"Tariffs are approved by the regulator (the Electricity Control Board) which uses a reporting methodology that would ensure that non-essential costs are not included in the revenue requirement of the utility, thereby protecting customers," says Nakashole.

In an effort to address the problems associated with revenue collection OPE has installed pre-paid metres for domestic and small business enterprise customers.

"Most of our domestic, small and medium enterprises customers are using pre-payment metres and that means we receive the money upfront. We manage our large power users properly with agreements and adequate bank guarantees or deposits that we have put in place," he says.

With the growth of the northern towns of Namibia projected to be on the high in the coming years, OPE has its work cut out and Nakashole says the electricity distribution company is geared to face the challenges.

NAKASHOLE PROFILE

The down-to-earth man at the helm of Oshakati Premier Electric was born at Oshigambo in Oshikoto Region and attended Oshigambo High School where he matriculated. He completed a National Diploma in Electrical Engineering at Pretoria Technikon (now Tshwane University of Technology). He later obtained a Bachelor of Technology degree in Electrical Engineering (B Tech Eng) from the then Witwatersrand Technikon (now University of Johannesburg).

Nakashole is also a holder of a Master of Business Leadership (MBL) degree from University of South Africa (Unisa) and a post graduate certificate in Public Sector Governance (PSG). He is currently completing a Bachelor of Law (LLB) degree at Unisa.

"After completing matric, I worked at the post office in Oshakati for a year before I went to further my studies. While working at the post office I was fortunate to be offered a bursary by SWAWEK (now NamPower) to study electrical engineering. Upon completion I started working for NamPower and grew up in ranks until I was seconded by NamPower in 2000 to start up Oshakati Premier Electric, which was a joint venture company between NamPower and the Oshakati Town Council," he recalls.

Nakashole has been inspired by Namibia's political leaders – such as Founding Father Sam Nuyoma, former president Hifikepunye Pohamba and President Hage Geingob. He also credits his success in his professional career to former NamPower Managing Director Leake Hangala who mentored him.

A loving father and husband to wife Latenda, Nakashole is a member of a church choir (Ebben Ezzer) and is passionate about community development issues.

Quality Electricity Supply

Celebrating 15 years of electricity supply

Oshakati Premier Electric (Pty) Ltd was established in the year 2000, with the objectives of distributing and supplying electricity to the town of Oshakati as well as to maintain and operate the electrical infrastructure.

At Oshakati Premier Electric (Pty) Ltd, we deliver effective and efficient electricity supply services to our customers, and maintain good relations with our customers. We also plan to continuously expand our electrical network to cope with the ever growing demand of electricity, while striving to maintain good relations with our community by investing back through initiatives such as our bursary scheme.

Vision

To be the preferred electricity distribution and supply company in all the areas in which we operate.

Mission Statement

Through effective and efficient service, to provide our customers with affordable and reliable electricity, while exceeding shareowners' expectations, caring for our employees, and expanding our market share.

Values

Transparency
Ethical business practices
Integrity
Accountability
Teamwork
Loyalty
Excellence
Honesty
Commitment
Good corporate citizenship

The way forward

With the review of the Oshakati Electrification Master plan, Oshakati Premier Electric will ensure that we continue:

- To improve efficiency in service delivery to the town,
- To upgrade infrastructures,
- To electrify other extensions.
- To maintain affordable and sustainable tariffs,
- To accelerate electrification projects, and thereby stimulating the economy,
- To meet the Government half way in the electricity distribution and supply in the country
- To be a role model in the electricity supply industry through our exemplary service. In line with Vision 2030

Oshakati Premier Electric

Oshakati Premier Electric

15 Years Anniversary

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| Afterhours +264 65 220 745 | info@ope.com.na |

Team Namibia elects new leadership, appeals for more govt help

Team Namibia Board Members

Team Namibia has elected new members to its board of directors and appointed a new Chief Executive Officer to take the organisation to the next level.

The new team was unveiled during a recent Team Namibia annual general meeting held under the theme: *'Local Procurement: A catalyst for Growth at Home'*.

The six new board members are: Norbert Wurm (Pick N Pay), Gideon Shilongo (re-elected director Ohlthaver & List), Peter Greeff (Etosha Fishing), Adelaide Shikongo (Oshinge Manufacturing), Robby Amadhila (Roama Gates Manufacturing), and Danie Grobler (Plastic Packaging).

Roberta da Costa takes over from Daisry Mathias as the new CEO.

Team Namibia is currently implementing its three-year strategy to "create a sustainable competitive advantage for Namibian products and services". It has placed strategic focus on the following areas;

- inspiring competitive standards,
- actively promoting local goods and services to create preference and purchase,
- facilitating market access to stimulate SME growth and ultimate sustainable economic development.

Outgoing CEO, Mathias, reported an 11% growth on Team Namibia membership for the year ended December 31, 2014. However, Team Namibia, which relies mainly on membership fees for its operations, has been hampered by limited financial resources and has appealed to Government, through the Ministry of Industrialisation, Trade and SME Development, for assistance.

Outgoing Team Namibia Chairperson Tarah Shaanika said the organisation had undertaken the correct approach for igniting an increased awareness and demand for Namibian products and services. "Through Team Namibia's effort to grow local and foreign consumer markets, the increased demand for Namibian products and services increases output volumes, which should in turn necessitate business operations to expand and employ more Namibians. This enlarges the disposable income base and translates into increased demand. "So at Team Namibia we dare to believe that - Namibia can consume her way out of poverty," said Shaanika.

He said the Government and private sector are key consumers of goods and services, playing a significant and catalytic role in empowering Namibian owned enterprises, particularly to SME's, and appealed for more local procurement, by extensively marketing and promoting the locally available options.

In his keynote address, Industrialisation, Trade and SME Development Minister Immanuel Ngatjizeko said government had prioritised the promotion and development of a robust local industry sector – with special emphasis on SMEs and local value-addition and manufacturing and the creation of larger market space for Namibian products, which will become achievable through the negotiation of preferential market access arrangements.

Roberta da Costa the new Team Namibia CEO

The Minister singled out poor links between manufacturers, distributors and retailers as one of the striking constraints to growing productive capacity and the subsequent consumption of locally manufactured goods.

Ngatjizeko said the Public Procurement Bill which is sponsored by the Ministry of Finance is also meant to be a tool for local development through participation and sourcing. The aim of the Procurement Bill is to empower local entrepreneurs by giving Namibian companies priority when tenders are awarded. Alongside the regulatory measures of the Procurement Bill, the Ministry of Finance is also at work to modernise the procurement system and to develop mechanisms to track adherence to the requirements.

The Minister acknowledged the need to support vehicles like Team Namibia in the promotion of local procurement and to help consumption to grow the national economy further.

Chamber drives Namibian exports into DRC

NCCI recently led a 19-member business delegation to the Katanga Province of the Democratic Republic of the Congo to explore business opportunities and promote the use of the Port of Walvis Bay for Congolese exports and imports.

The business delegation which was led by NCCI Chief Executive Officer, Tarah Shaanika and the Honorary Consul of the DRC in Walvis Bay, Haddis Tilahun, also visited the Kasumbalesa border post between Zambia and the DRC, through which Congolese trade with and through Namibia is channelled.

Speaking at a welcoming reception in honour of the visiting Namibian delegation, the President of the Katanga Province Chamber of Commerce and Industry, Eric Monga, praised the NCCI and the Namibian Embassy in Kinshasa for taking the initiative to bring a high level business delegation to the DRC. He emphasised that the DRC offers numerous trading and investment opportunities for Namibian companies and urged the Namibian business community to take advantage of such opportunities.

The Namibian Ambassador in the DRC Willibard Helao called on the Namibian and Congolese businesses to increase interactions with one another in order to create opportunities for increased trade between the two countries both of which are member states of SADC. He appealed to Congolese exporters and importers to consider the use of the Port of Walvis Bay for their imports and access to international markets.

Currency deal to drive trade

The business community at the northern border town of Oshikango says the currency exchange agreement between Angola and Namibia is a welcome relief, which is likely to rescue their businesses that had been teetering on the brink of collapse during the past six months.

The Bank of Namibia announced that the reciprocal conversion of the Angolan Kwanza and Namibian Dollar at Oshikango and Santa Clara in Angola would take effective June 18, 2015.

Bank of Namibia Governor Ipumbu Shiimi (right) and his counterpart José de Lima Massano of Banco National de Angola sign a bilateral currency exchange agreement that is expected to improve trade between the two southern African neighbours.

The agreement was part of a rescue plan that was initiated by the business community at Oshikango, under the NCCI back in 2013, following a sharp decline in business at the border town.

Oshikango, alongside Ohangwena, and Omafo are urban centres that make up Helao Nafidi Town Council in the Ohangwena region.

Since early 1990s, the town has been considered a business hub in northern Namibia.

It is a popular cross-border trading post, dotted with bonded warehouses for exports to the Angolan markets.

Major retailers and commercial banks have also set up shop at the town, while informal trading is also thriving. The town is adjacent to Santa Clara, south of Angola in the Cunene Province.

The buying power of Angolan customers was behind the economic prosperity of the town, as people from nearby major Angolan towns such as Ondjiva, Huambo, and Lumbago found it convenient and cheaper to shop at Oshikango.

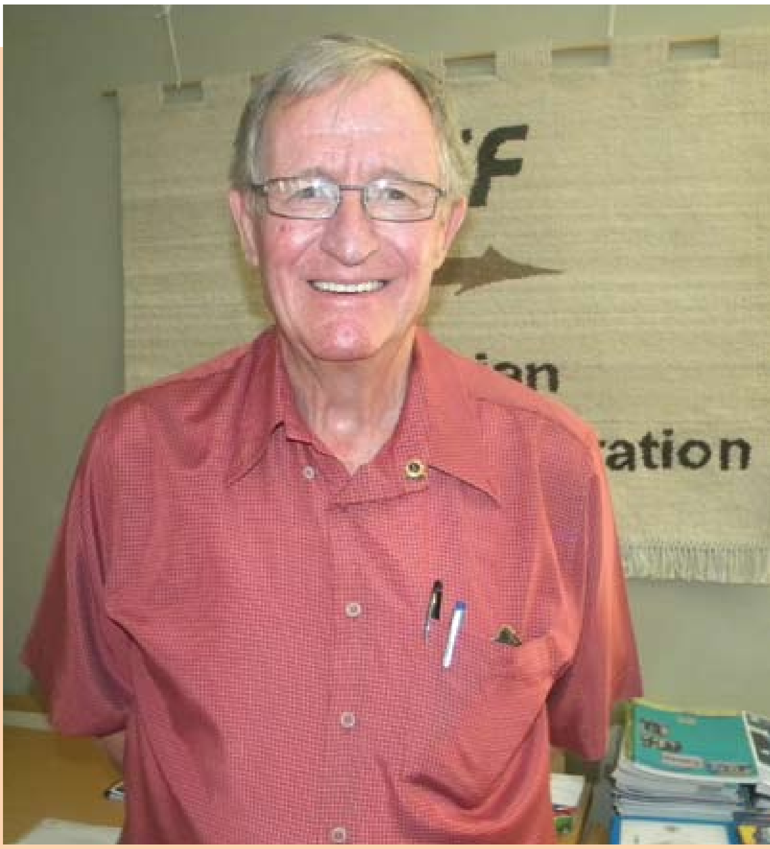
But trading at the town plummeted following the collapse of global oil prices, which negatively impacted the Angolan economy – Africa's second biggest oil producer. Oil is the mainstay of the Angolan economy, which accounts for about 90 percent of the country's export earnings.

Therefore, with the official supply of foreign currency greatly affected by the oil price collapse that started in June 2014, the US dollar became hard to access, which disrupted day-to-day business operations in the country.

And since trade between Namibia and Angola was conducted in US dollars as a form of payment, the shortage contributed to the decline in cross border trading at Oshikango.

NCCI, NEF oppose civil servants private business

NCCI CEO Tarah Shaanika



NEF Secretary General Tim Parkhouse

The Namibia Chamber of Commerce and Industry (NCCI) and the Namibia Employers Federation (NEF) are concerned about a recent Cabinet decision allowing civil servants to be involved in private business.

NCCI Chief Executive Officer Tarah Shaanika said the Cabinet decision suggested that public servants can carry out their private businesses while in the employment of the State without adequate regulations for their involvement.

"We believe that civil servants' direct involvement in private businesses may result in serious conflicts of interests especially when the businesses in which they are involved does business with the State. We have already been receiving reports alleging possible use of civil servants to solicit information crucial to securing Government contracts by businesses owned and/run by individuals with personal connections to public servants which favoured such businesses over their competitors. Such conducts have created an unfair competitive environment and is bad for business," said Shaanika.

He said allowing civil servants to engage in private business will fuel corruption and possible abuse of office and information about Government projects to favour their own businesses.

"Businesses owned and/run by civil servants must therefore not be permitted to do business with the Government to avoid perceived or real conflict of interest. On the basis above, we call for a review of the Cabinet decision in this regard and restore confidence in the civil servants' impartiality and level of professionalism," said the NCCI CEO.

NEF Secretary General Tim Parkhouse said civil servants were paid by the taxpayer and allowing them to have their own private enterprises was tantamount to a free hand for corruption.

"There are two reasons that this concerns us. Firstly, the government official will often have insider information with respect to the contents, conditions and budgeted figures when tenders are being prepared. This may easily lead to price rigging and thus tenders being awarded on the basis of such information, even if the tender board is unaware of the behind the scenes activities.

"There are already ample instances where front persons or briefcase companies are used to hide who is behind a company. Thus it would be very easy for a civil servant to use friends, buddies and cronies to front for his/her company".

"Secondly, we are concerned that there will be a tendency to run the private enterprise during office hours thus stealing from the poor taxpayer. Remember that to use even a paper clip of the business owner (in this case the people of Namibia) is stealing. How many civil servants will be making phone calls for private purposes? How many will be popping out to attend to their business? Ten minutes here; half an hour here, half an hour there?"

The NEF said this decision flew directly in the face of President Hage Geingob's anti-corruption statements.

"We understand that the Prime Minister is planning a set of rules and regulations to govern such business activities, but we are sad to state that we have no faith in the enforcement of such rules, however comprehensive they might be. Your Excellency Dr. Geingob, in the interests of the Nation we call on you to reverse this decision without delay, before irreparable damage is done," appealed Parkhouse.

Addressing an Anti-Corruption Conference on the role of the private sector in preventing corruption and enhancing corporate governance, Shaanika said although Namibia was not among the most corrupt countries in the world, there were serious red lights flashing which were being ignored.

"From where I sit, I get to hear so many scary corruption stories, primarily involving commercial transactions between private businesses and the state stemming mainly from public procurement. I have heard for instance, stories of businesspeople paying bribes to civil servants so that they can process payments due to them for work they did for the state. Isn't that scary to you? I also hear a lot of stories, whether correct or not, about companies paying bribes to politicians and civil servants in order to win Government tenders. In some instances, civil servants even go as far as fiddling with documents of competitors so that they appear to be incomplete and clear the way for bribe paying companies to be justified as the best companies to get contracts," said Shaanika.

The NCCI chief said corruption in Namibia was deemed to be more common in Government procurement and abuse of office by politicians and public servants. However, he said private sector involvement in this abuse cannot be ignored.

"There are always two parties involved in corruption: the corruptor and the corrupted," he said.

Shaanika said experience also shows that where you have an efficient public service and a transparent procurement system, you are also likely to have less corruption.

Hilifa Mbako
Managing Director

Tommie Gouws
Manager: Finance

Francois van Dyk
Mine Manager (Acting)

Sandra Müller
Manager: QHSE

Angelique Botha
Manager: HR

The Trekkopje project went into a 'Care and Maintenance' phase from 1 July 2013, a holding phase with every intention to start up as soon as the economic conditions become more favourable.

The Care and Maintenance (C&M) team is both based at the corporate office in Swakopmund and the mine site to protect the assets and keep the mine's infrastructure in working condition for restart at the appropriate time.

"We have retained an excellent team of people who will maintain our focus on safety, health and the environment and endure AREVA's values of customer satisfaction, profitability, responsibility, integrity, acute sense of professionalism, sincerity and partnership to express the responsibility of the group to our customers, our employees, our shareholders and all of the communities in which we play a role; directly or indirectly," according to Hilifa Mbako, Managing Director.

O&L pumps N$500m into Wernhil expansion

Ohlthaver & List Group, one of the largest companies in Namibia that owns Wernhil Shopping Complex is bankrolling the expansion of the prominent mall at about N$500 million to be completed in 2017.

In total approximately 54,000m2 will be constructed consisting of both parking areas as well as a retail extension of approximately 20,000 square metres, according to Roux-Che Locke, Group communications manager.

The total investment for the Wernhil Park Phase 4 expansion, she said, will amount to approximately N$470 million.

Locke said that the anticipated starting date will be early 2016 with completion being set for late 2017. Overall the construction period will be approximately 20 months.

In its application to City of Windhoek, documents state that Ohlthaver & List Group intends to expand the shopping mall across Fidel Castro Street into the Fruit and Veg and Cashbuild premises. In addition, the company wants to turn the top floor parking area into retail shops.

O&L is one of the largest companies in the country incorporating Pick n Pay, Namibia Breweries Limited, and Broll Namibia among others, headed by business executive Sven Thieme.

O&L also requested from CoW the approval to construct an additional approximately 15 000 square metres or two additional parking decks onto the already existing Wernhil structure.

The company also intends to construct a bridge over Fidel Castro to link the mall and the Fruit and Veg premises.

The City's Strategic Executive of Economic Environment confirmed O&L's application stating that there is no doubt as to the potential value addition that this development could bring to the area, "However, it's also critical that we evaluate this application based on CBD master plan currently being developed".

In the application dated 22 April 2014, and released last month, the company requests CoW to consider the increase of air-rights lease area and converting one parking floor into a retail space.

It further proposed approval to amend the existing air-right lease agreement signed on 1 February 2005 and

its addendum signed on 14 June 2005 by allowing for conversion of the existing upper most top level parking on Erf R/6871, Windhoek from parking to retail while the current parking bays on Erf R/6871 on both the ground and first floor levels remain intact.

The company also intends to construct a bridge over Fidel Castro to link Erf R/6871 with Erf R/2611 "so as to create a seamless crossover". Adding that, "This bridge will be similar in nature as the one that currently links Post Street Mall over Mandume Ndemufayo Avenue with Wernhil Park."

Locke, however noted that there are some unresolved issues between the City and O&L such as requests to lower rental fees, construction of an additional parking bay, and O&L acquiring adjacent properties before they could fully accept the new expansion plans.

Said Locke, "The City Council have given their in principle approval for our application to expand Wernhil Park Shopping Centre by way of our proposed Phase 4 development.

"Although the overall application was approved, the City have placed certain conditions to be met and have also declined certain ad hoc requests from Wernhil Park's side like our request for lower air-right rentals.

This, she said will however not hold up the process going forward as O&L was working on meeting the City Council's conditions as well as preparing the required documentation for municipal submission which will ultimately lead to the required building permit approval.

Windhoek's ballooned N$4bn budget driven by deficit

The City of Windhoek is blaming its increased tariffs across the board on residents' failure to pay their municipal bills on time and further national service utilities Namwater and Nampower continue to impose tariffs on water and electricity forcing it to charge residents more for services.

According to a whooping budget of N$4.04bilion presented by council management Chairman Moses Shiikwa for financial year 2015/2016, city residents owe municipality N$470 million in unpaid bills, forcing a N$288 million deficit loophole that had to be sealed by increased tariffs.

Out of the N$4.04 billion budget, N$383 million will go towards the capital budget and the remaining N$ 3.66 billion operational budget, and N$373 million earmarked for the 2016/2017 financial year. Of the N$383 million, N$344 million is for the ongoing capital projects and N$39 million for new capital projects.

The tariffs increased effective 1 July include sewerage 17.5%, water 10% domestic and 15% non-domestic, property 9%, household refuse 10%, service availability 5%, informal refuse 5%, solid waste 5%, assessment rate tariff 9%, and electricity 10.9% - pending approval from Electricity Control Board (ECB).

Two key basic amenities of water and electricity came under the microscope as Shiikwa was at pains to explain their tariff increases over the years.

Shiikwa said it was the city's responsibility to buy bulk electricity from the national bulk supplier Nampower for onward distribution to individual households and businesses, therefore municipal electricity annual tariffs adjustments are influenced and dependant on the approved electricity increases by Nampower and approval by the national regulator, the ECB.

Said Shiikwa: "It is equally important to mention that electricity supply crisis in the region continues to haunt us, derail our developmental efforts and put pressure on our ability to deliver sustainable municipal services.

"The City continues to participate in national efforts, discussions and forums aimed at finding an amicable solution to the national electricity supply shortage.

Coupled with this shortage and poor payment by residents, he said that the monthly Nampower bill to the City is on average N$90 million, and can rise to more than N$120 million during the winter season.

On water, he explained that, "This year we are all aware that rainfall during the financial year 2014/2015 was average, and the inflow into the dams supplying Windhoek with water, was very low. The current water holding in the three dams equates to 37 million cubic metres, compared to 71 million cubic metre of last year."

NamWater, he said, has introduced a water use strategy wherein the City needs to realise water saving of 10% to ensure that the current water supplies will last until the next rain season.

"The City, Namwater and other central area stakeholders will therefore embark on vigorous water saving campaigns. In this regard, all our clients are requested to give their full support and cooperation in water saving. Without this support, there is a strong possibility that we might run out of water before the next rainy season has started."

Although it is understood that these increases were necessitated by the long overdue upgrading of the pumping capacity between Von Bach Dam and Windhoek; in order to cope with the increased demand of water in the City, these increases equally place a heavy burden on the resources of the City, he said.

In respect to providing services to its poorer residents, the city received a total of N$278 million through the Targeted Intervention Programme for Employment and Economic Growth (TIPEEG) for the servicing of land in informal settlements. The funds will be utilised together with the mass housing project going forward.

According to the budget, priority areas identified are to provide water, electricity, and sanitation to the informal areas, provide serviced land to address the demand in housing, and land delivery.

While contributing to budget presentation, City Mayor Muesee Kazapua recognised that the city's challenges remain rapid urbanisation, land delivery, housing, unemployment and budgetary constraints that limit Council's ability to adequately deliver on its mandate.

Despite the challenges, Kazapua is confident that the city will overcome the huddles to renew its commitment to service delivery, accelerate development and improve the quality of life of residents.

Said Kazapua, "While significant achievements have been made during the course of the previous financial year, there remained other areas that still need to be improved on, in terms of service delivery, socio economic development and poverty reduction.

"As a Council, we are challenged to continuously ensure the provision of basic services to those who have yet to access such services. We are mindful of the scarce resources and the high demand of municipal services, such as serviced land, water, electricity and sanitation amongst others."

PwC rolls out new tax system

Stefan Hugo, Tax Partner at PwC Namibia

Internationally renowned auditing firm PriceWaterhouseCoopers (PwC) based in Windhoek has come up with an online tax tool that automatically calculates all the required totals, does all the complicated tax work and populates the schedules in the tax return automatically. The final product is a printable tax return, ready for submission to Inland Revenue. Named 'TaxTim', the online tool asks simple and easy questions, then uses the taxpayers' answers to fill in their tax return instantly and professionally, Stefan Hugo, Tax Partner at PwC Namibia said.

TaxTim, he said, is the result of a joint business relationship between PwC Namibia and TaxTim, a South African based technology company established in 2011 after raising seed funding from Google.

Hugo explained that to make the tool easier even to laymen, a mobile phone app is available and once uploaded contains frequently asked questions and answers that are made simple for clients.

The product, he said, suits Namibia since in South Africa TaxTim has helped over 1.3 million people. "It's a very competitive product in the market, something that has been tested with a team of 15 specialists at PwC."

Added Hugo, "For years, there has been a problem with Namibia's revenue collection due to low tax returns. However with the new system – TaxTim -tax returns are made easy. The language is simple hence people won't struggle with legal or accounting terminologies."

The Department of Inland Revenue states that personal income tax is applicable to total taxable income of an Individual and all individuals are taxed at progressive marginal rates over a series of income brackets. The tax year runs from 1 March to 28 February. Income tax is typically withheld by the employer.

Individuals are responsible for submitting a tax return form to the Receiver of Revenue once a year. Individual taxpayers are categorised into three groups each submitting a different colour tax return. There are brown, blue and yellow forms. A 15% Value added tax (VAT) is applicable to almost every commodity. Basic commodities like sugar, bread etc. are exempted from VAT.

Hugo emphasised that with the new product it's poised to help both employers and employees: "Using the service could significantly reduce the time employees spend worrying about tax returns at work, and time taken off to stand in line at Inland Revenue."

Said Hugo, "PwC's TaxTim combines tried and tested technology with PwC Namibia's 40 years of tax experience. We are excited to offer PwC's TaxTim to our existing corporate clients and provide this innovative service to help their employees with their tax returns.

"We also expect to build new professional relationships directly with the public in a way that has never before been possible. We believe that TaxTim is the first of many service offerings from PwC that will utilise great technology combined with the expert skills of PwC people, to bring quality, affordable professional products to the Namibian market."

PwC Namibia Tax Technology Manager, Mari-Nelia Hough says, "The questions that TaxTim asks to gather tax return information were developed by the PwC Namibia team of tax experts. The system contains all the knowledge and tax legislation required to output compliant tax returns for Inland Revenue.

"The PwC team is available via the website's helpdesk to answer any extra questions and help users if they get stuck. It is great working with the support of the experienced TaxTim technology team."

"Working with the leading PwC brand provides immense credibility for our brand entering this new territory. We couldn't be more pleased to announce the result of our collaboration. Working with the dedicated team in Namibia and being able to help so many more people with making tax easy is a definite highlight of my professional career." says TaxTim CFO Marc Sevitz.

Launch special pricing starts from N$370, but users can qualify for 10% discount by referring friends, or get up to 30% off by being the office hero and registering fellow employees for Employee Assist. Employee Assist is available to employers to help their employees stay tax compliant. With this kind of innovation, Hugo foresees Namibia's tax system in five years onwards as more effective, competitive, and inclusive.

He said that there are plans to widen clientele scope to include Small and Medium Enterprises (SMEs) so as to be inclusive. "As we get feedback from clients, we shall definitely improve to make sure the product gets better."

Heavy corporate borrowing continues

BoN Deputy Governor Ebson Uanguta

Companies took advantage of relatively low interest rates in Namibia to take out loans totalling nearly N$75 billion from financial institutions for their operations and expansions during 2014. The latest Financial Stability Report (FSR) however cautions that banks exposed to heavy borrowing needed careful and continuous monitoring.

The Report was jointly published by the Bank of Namibia (BoN) and the Namibia Financial Institutions Supervisory Authority (Namfisa). In June, BoN increased its repo rate by 25 basis points to 6.50% to curb debt financing. The repo rate is the interest rate at which a central bank lends money to commercial banks.

Namibia's economy grew around 4.5% in 2014. The main engines of growth were robust construction activities, sustained growth in diamond mining, wholesale and retail trade and transport activities, as well as public infrastructure programmes. On the downside, uranium mining showed a weaker performance during 2014, on account of low international prices.

Real GDP growth for Namibia this year is expected to increase due to continued robust construction work, an expected increase in mining production and activities in the wholesale and retail trade, the FSR stated. The GDP growth rate for the first quarter of this year, released in July by the National Statistics Agency however showed a slight decline as Namibia's economy grew only by 3.1% between January and March.

CORPORATE DEBT

Debt levels of companies in Namibia increased in the past financial year, mainly due to growth in foreign private sector debt and the Namibia dollar/ZAR losing value, according to the FSR. "The increase in local corporate debt – which rose significantly during 2014 - was however largely attributed to borrowing by companies earning foreign exchange and thus may not pose a major risk to the financial stability of Namibia."

As a proportion to the Gross Domestic Product (GDP) corporate debt levels rose to 51.4% of GDP by December 2014, up from an estimated 47.6% in December 2013. The total corporate debt sector during 2014 – including borrowings abroad - increased by 26% to N$74.9 billion since the 2013 FSR. Of that amount, N$46,6 bn was foreign debt and the remaining N$28,3bn was the amount companies as well as State-owned enterprises borrowed inside Namibia. The FSR explained that the rise in corporate debt to GDP ratio last year was mainly caused by multi-national companies that borrowed abroad for their operations in Namibia. These companies also earn foreign exchange. As a result, the external debt servicing "does not pose a major risk" to Namibia's financial stability during the short and medium term, the FSR noted.

In December 2013, total corporate debt - including State-owned enterprises was 'only' N$59,4bn, of which N$35,9bn was foreign debt and/or debt in foreign currency. Local borrowings stood at N$23,4bn. The main driving force for this debt was loans for the mining and energy sectors.

Compared to December 2013, foreign debt granted to the private sector increased by 29.4% by the end of 2014.

Interestingly, 95% or N$72.2bn of corporate borrowings were done by private sector companies – the same like in 2013 – and only the remaining 5% were debts taken up by SOEs.

At the end of 2014, total debt taken up by SOEs from the private sector had decreased slightly from N$4,1bn to N$3,9bn, of which N$3,1bn was owed to foreign debt lenders and N$799,3 bn to local private debt lenders. By December 2013, SOEs had owed local lenders N$727 bn. The higher local debt of 2014 was caused due to

the issuance of corporate bonds to the value of N$1,4bn on the Namibian Stock Exchange (NSX). "It is expected that corporate bonds issuance by Namibian SOEs will contribute to [local] capital markets development and financial sector deepening in Namibia," the FSR noted.

However both BoN and Namfisa caution that the acceleration of large exposure in Namibia's banking sector mainly to the mining, fisheries and tourism sector "warrants monitoring to mitigate risk," said BoN Deputy Governor Ebson Uanguta.

BANKS HEALTHY

The main business of commercial banks in Namibia is loans and advances, which makes up 74,5% of their business. The FSR found that local commercial banks had good reserves and liquidity stood at N$1,8 billion. Issuing of loans and advances grew by 16,9% last year. On the other hand, the percentage non-performing loans increased by 9,8% last year and stood at N$821,3million.

Both the BoN and Namfisa are concerned about the huge debts in households, thus the repo rate was increased twice this year (February and June). Household debt stood at a staggering N$45,3 bn in 2014, compared to N$40,8 bn in 2013. The debts were mainly driven by housing loans, overdrafts and instalment credit. Interestingly quite a high portion – about N$3,4bn of all loans were taken out from micro-lenders.

"Although household indebtedness is not an immediate case for concern in the near future, it warrants monitoring," the FSR noted.

Namib Contract Haulage (Pty) Ltd.

Namib Contract Haulage operates passenger transport services between central Namibia and Windhoek to the northern regions. Its transport fleet is popularly known as the "yellow buses" or "SWAPO buses". Yellow buses are the first choice of transport for commuters to the four northern regions of Oshikoto, Ohangwena, Oshana and Omusati. Reputation for these buses was earned through its timeliness, reliability, safety, comfort and competitive prices.

We have expanded our diverse portfolio to provide transportation services to the construction, mining and agriculture industries; as we believe that a strong infrastructure is the very foundation of our communities and nation.

Namib Contract Haulage's professional administrative staff efficiently expedite your transportation needs. We are committed to providing excellent services from first contact to the point of delivery and at competitive prices. Knowing that our drivers are reliable, professional and experienced gives our clients the peace of mind that the clients will reach their destinations safely.

In June 2012, a new fleet of buses was given to Namib Contract Haulage to revamp the ageing fleet that was in operation as well as to increase the number of buses operating. To this end, the company intends to undertake new routes to other destinations with a vision to "become the preferred Transport Company in Namibia."

Services

The company operates a fleet of numerous buses (65- seater), construction trucks and has five regional offices manned by experience and competent employees.

- **Passengers** - include routes from Windhoek to the northern regions of Otjozondjupa, Oshikoto, Ohangwena, Oshana and Omusati. We also provide transport (charter services) to groups and/or sport teams throughout Namibia and to regional events. We have provided charter services to the public as required.
- **Construction** - we provide construction material hauling and dumping as required.
- **Tourism** - we provide a wide range of superior tours throughout Namibia and Southern Africa.
- **Agriculture** - transporting agricultural commodities to the farming industry in Namibia.
- **Mining** - help mining customers to transport raw materials. We are committed to safety and cost efficiently taking customers' products to the destinations.
- **Fuel Industry** - supply transportation to the energy and resource industry in Namibia.

Management, Supervisors & Staff

Shifiona Mennas Aluvilu
Operations Manager

Eliphas Joe Shivute
Finance Manager

Festus I. Andjamba
Head Mechanics

Thomas Iiyambo
Transport Officer

Linea Kahana
Sales Supervisor

UP AND RUNNING: Otjikoto Mine in the Otjozondjupa region

B2Gold's Otjikoto mine boosts Namibia's gold output

President Hage Geingob officiating at the opening of the mine

B2Gold's Otjikoto Mine, located some 70 kilometres north of Otjiwarongo in the Otjozondjupa region, was officially commissioned by President Hage Geingob on June 1st.

B2Gold Namibia is a joint operation between a Canadian company, B2Gold Corp., which holds a 90% stake, and local mining company EVI Mining, with 10% shareholding. For 2015, Otjikoto Mine is expected to produce between 140,000 to 150,000 ounces of gold at a cash operating cost of approximately US$500 to US$525 per ounce. Once the planned mill expansion is completed in the third quarter of 2015, this will increase the annual throughput at the mill from 2.5 million tonnes of ore per year to approximately three million tonnes per year. B2Gold expects annual gold production to increase to approximately 200,000 ounces in 2016 and 2017.

Overcoming obstacles

President Geingob commended the management of B2Gold for overcoming many obstacles to ensure that the project becomes a reality.

"The Otjikoto Mine symbolises yet another step forward in Namibia's drive towards attracting investment, which will feed our ultimate goal of sustained economic growth, job creation, wealth distribution and economic emancipation," the President said.

The mine has added close to 700 mining jobs and pays close to N$90 million in royalties and corporate tax to Government.

Geingob said the mining sector has, and continues to play, a significant role in contributing to Namibia's growth trajectory. The Otjikoto Mine adds weight to support growth in the mining sector, which contributes between 9 to 10% of Namibia's GDP, said the Head of State.

B2Gold Chairman Dr Leake Hangala said the new venture represented a balanced partnership between Namibians and foreign investors which will earn the country up to N$2.5 billion in annual export revenues.

The mine's Managing Director, Mark Dawe, said the new Namibian mine will be the flagship of the B2Gold fleet that will launch the company into the realm of the world's major producers.

"The successful ramp-up to our targeted gold production is of course our primary objective and focus, but there is so much more that would determine whether or not we have achieved success. The measure of success is not just about how much money we have generated, but how we have made a difference – a difference to a social condition, whether it be through interventions in health, education, community support, or environmental conservation. Through our adjacent Farm and Education Centre, we conserve the environment and the wonderful creatures that inhabit it for future generations," said Dawe.

B2Gold has already injected N$4 billion into the Namibian economy during its construction phase. It has also trained and educated hundreds of young Namibians.

Exceeded targets

Dawe said that, five months into production, Otjikoto has already exceeded all its targets for health and safety, tonnage milled, metallurgical recovery and gold produced.

Mines and Energy Minister Obeth Kandjoze said the coming on board of Otjikoto will increase Namibian gold production and play a significant role in expanding Government revenues through contribution of taxes and royalties.

"There have been minor fluctuations in the price of gold but the favourable world market demand surely supports the economics of the project. It is my strong belief that B2Gold Namibia's management will demonstrate support for the Government's agenda on local value addition that will embrace Government's Vision 2030 and NDP4," said the Mines Minister.

Kandjoze said local value addition was key in contributing to Government's overall industrialisation and developmental agenda of employment creation and poverty reduction while adding to the creation of a strong local manufacturing base.

Minister Kandjoze also commended B2Gold for investing in its own 22 megawatt on-site HFO (heavy fuel oil) power plant which will relieve the pressure on the national grid.

Entrance to the mine

LL Namibia Phosphates determined to see N$8bln Lüderitz project come to life

LLNP Managing Director Kombadayedu Kapwanga

LL Namibia Phosphates (LLNP) is going ahead with its advanced plans to set up a N$8 billion operation to manufacture fertilisers and other value added products from marine rock phosphates to be mined from the Atlantic Ocean floor off the coast of Namibia. Recently LLNP introduced to the new //Karas Regional Governor Lucia Basson, the value of the project to the region and Namibia as a whole.

LLNP is investing US$20 million (about N$245 million) in setting up a pilot processing plant in Lüderitz to test all environmental parameters under local conditions. The results will be used in the main EIA studies for the whole project to follow soon after its completion.

LLNP Managing Director Kombadayedu Kapwanga says the company is ready to commence commercial phosphate activities as soon as all environmental approvals have been obtained.

"LLNP is committed to undertake all required environmental studies integrated with exploration and mining of phosphate as well as doing the feasibility tests associated with downstream value addition and manufacturing. The company policy is that the environmental protection and enhancement should be achieved and maintained in all its activities," says Kapwanga, adding that LLNP considers environmental protection to be a corporate responsibility that must be addressed at all levels in the organisation through a programme of monitoring environmental aspects, definition of targets and the establishment of action plans.

LLNP estimates that there is a 2 billion metric-ton phosphate deposit off the Namibian coast. The company says that without any setbacks it can commence phosphate mining and fertiliser manufacturing in 2018, an activity it says will contribute N$3 billion annually to the country's gross domestic product.

The pilot plant that has been set up by LLNP is the first of this kind in Namibia and will provide firsthand knowledge to local, regional and national authorities on any environmental issues, while also serving as training and skills transfer centre.

Boost to agriculture

Phosphate mining activities, says LLNP, will boost the agriculture sector as the product is a key ingredient in fertilisers. Part of the raw phosphate will be used directly or to produce cheaper Namfos fertiliser blends for sale to local Green Schemes and farmers. Some will be used in the production of animal feeds for local use as well as for export.

Because of Namibia's strategic location, phosphate could be easily exported to India and Latin America, where they are bigger agricultural industries.

In its presentation to Governor Basson early in June, LLNP said local phosphate fertiliser production could go a long way in helping Namibia realise the objectives of the National Development Plan (NDP) 4 and Vision 2030.

Apart from agriculture, LLNP says phosphate mining will boost Namibia's manufacturing sector (through value addition to mineral resources), transport and logistics (through the expansion of Lüderitz harbour and local transportation and export of phosphates), as well as the tourism sector. LLNP has already signed an MOU with NamPort for the expansion of the Lüderitz harbour through a PPP arrangement wholly financed by the company.

Phosphate is also used in the production of phosphoric acid used in the manufacture various products – such as additives to foods and beverages (Coca Cola), water detergents, antifreeze and yeast.

Kapwanga said in his discussions with the //Karas Governor that there were several other economic and employment opportunities that will result from phosphate mining.

For instance, LNPP plans to use sea water to cool the processing plant which will produce high pressure steam. High pressure steam will be used to drive a steam turbine to produce electricity and the electricity produced will be enough to power the entire industrial complex and the balance will be sold to the national grid.

Low pressure steam will be used to produce distilled and mineral water, while the brine generated can be used to produce rock salt.

A local company in Lüderitz is already conducting a feasibility study to use the water returned to sea to cultivate young oysters which will grow faster due to the difference in temperature.

Model of plant

Moratorium holding back investment

However, LLNP has been held back by the moratorium placed on phosphate mining activities, which it says did not achieve its objectives but only prevented the licence holders to do their proper studies and researches in order to complete their EIA in line with the Environmental Act.

"Moratoriums by nature discourage investors. The new Environmental Management Act, 2007 (EMA) is there to ensure that companies do all the necessary environmental studies before being awarded their Environmental Clearance Certificate (ECC). If their studies are not of a high standard then the ECC is not issued and no mining can occur until they meet all the necessary criteria," says Kapwanga.

LLNP says the Ministry of Environment and Tourism (MET) renews the ECC every three years and therefore provisions already exist within the established legal system to stop a company's activities should environmental impacts be noted that could damage the Benguela ecosystem or the fishing industry.

But, as a result of the moratorium licence holders will find it difficult to procure funding for their scientific and feasibility studies.

It is therefore better that the current moratorium is not extended and that the current licence holders continue with their work as per their licence conditions. And that the MET start processing and accepting EIA and EMP applications in accordance with the Environmental Act and Regulations.

It is also proposed that MFMR continues with its parallel studies in line with the Scoping Report prepared by the Norwegian-based Foundation for Scientific and Industrial Research (SINTEF) and that the findings be used by licence holders in their licence areas. Results of the MFMR/SINTEF studies can be accommodated and integrated in any ECC issued by MET in the process.

Daisry Mathias leaves Team Namibia for State House role

NATIONAL DUTY: Newly-appointed Presidential Advisor Daisry Mathias

From Team Namibia to State House, Daisry Mathias – President Hage Geingob's newly appointed Adviser on Youth Matters, with Special focus on Enterprise Development, is already living the dream of a collective desire to see a Namibia in which 'no one feels left out' as advocated by the new administration.

Mathias, an immediate former chief executive officer of Team Namibia and editor of *Namibia Business Journal (NBJ)*, is one of the few trusted and privileged Namibians to have President's ear. She shares her successes and challenges during her tenure at Team Namibia's helm.

Mathias hails Team Namibia as a remarkable platform to drive tangible growth for business owners and indirectly, positively impact the communities that they operate in and serve.

"Team Namibia is a national brand and an icon that belongs to many people (industry and consumers). So as the Chief Executive or Brand Leader, it has been a very inspiring responsibility, which I always approached sober-minded and conscientiously, owing to the far-reaching value of the brand.

"As the Team Namibia custodian, I relate to the analogy of nurturing, developing, protecting and equipping a growing 'child' to the point of maturity and establishment. Twelve years since inception, Team Namibia is still very much in its adolescence; adaptable, vigorous and now capacitated and ready to unlock its potential," she said.

Mathias explains that there are four components to a national brand: the Head of State (Government), Tourism, Investment and Products (Country of Origin), saying Team Namibia represents and occupies an important component of the National Development Goal.

She believes Team Namibia has taken the correct approach and can make a significant contribution to the realisation of Vision 2030 by working towards its vision to "Make Namibian products and services part of everyday life". Team Namibia has developed a three year strategy to "create a sustainable competitive advantage for Namibian goods and services". The strategic implementation is currently midway (2014-2016).

Mathias says that by growing consumer markets and facilitating market access Team Namibia is able to help make a direct contribution to increased business output, a more diversified commodity base translating into business growth and reduce unemployment. Preferential sourcing, procurement and consumption within the local industry she says is a catalyst for Growth at Home.

Team Namibia was established in 2003, in partnership by the Namibia Chamber of Commerce and Industry (NCCI) and the Namibia Manufacturers Association (NMA) and founder members including FNB, Bank Windhoek, MTC, Namdeb, O&L & Telecom continue to serve Team Namibia in the capacity of Board Directorship and as paid up corporate members. To date, Team Namibia celebrates a growing national member network of 236 companies strong.

She explains that Namibia is a high cost economy with a relatively small domestic market affecting the economies of scale and production cost. At the same time Namibia competes with formidable import products, which are able to compete on price. This is evidently very challenging for Namibian enterprises, particularly SMEs, she said.

Mathias emphasises on quality saying, "standards are the deal breaker", adding that, "respondents to our 2013 stakeholder survey indicated that they want to qualify the emotional benefit of supporting local with a rational benefit that the product or service is functional and indeed fit for purpose.

"The NSI is advancing in its mandate as the Standards Bureau, providing conformity assessment certification. The challenge is that conformity assessment certification is optional and not mandatory by Namibian law. It is up to organisations such as Team Namibia and the NSI to inspire competitive standards from industry – so as to build consumer confidence in local products."

For local products to compete with imports, she said, focus should be on three key markets for local industry - retail sourcing, public and private sector procurement. Further, positive Government intervention pertaining to local sourcing and preferential local procurement, through transformational tools such as the Namibia Retail Charter

and the Public Procurement Bill, which are all to be tabled before or during September 2015, are underway.

Mathias recognises that Namibia's overreliance on South Africa, among other international markets for imports can be corrected. According to the Namibia Statistics Agency (NSA) Trade Volumes report, top four imports are Cars, Furniture, Cosmetics and Clothing and top three import countries by volumes are South Africa, China and Switzerland.

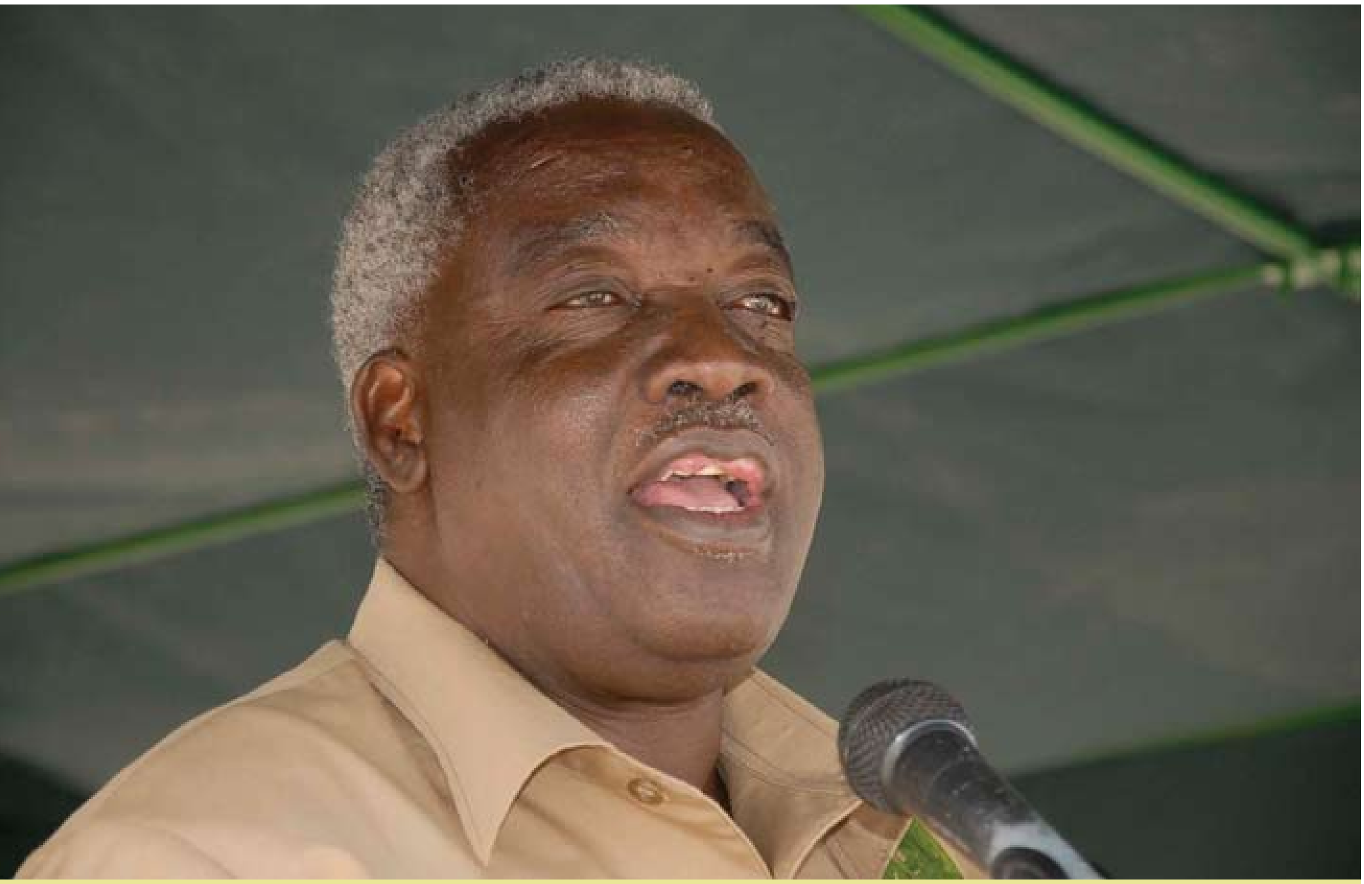
"We are dependent on RSA twofold: both as a pegged currency (affecting cost of international trade) and the market is also our primary supplier of goods – which includes commodities.

"My opinion is aligned to and evident in the Government imperative; with the Ministry of Industrialisation, Trade and SME Development (MITSD) having prioritised manufacturing and industrialisation, with specific priority to garments, cosmetics and agro-processing," Mathias said.

The Ministry of Agriculture has also made significant inroads pertaining to food security and self-sustenance, she said.

She reaffirms that Team Namibia is an essential body on the Namibian business landscape. "It is my hope that the organisation will continue to deliver high impact and measurable results from targeted interventions aimed at creating a sustainable competitive advantage for local industry."

Namibia part of SADC regional industrialisation strategy



Industrialisation Minister Immanuel Ngatjizeko

The Ministry of industrialisation, Trade and SME Development (MIT-SMED) recently briefed the private sector on the industrialisation strategy and roadmap of the Southern African Development Community (SADC). It was the first public seminar on industrialisation.

The regional strategy was adopted in April by the SADC heads of states during an extraordinary SADC summit at Victoria Falls, Zimbabwe, also attended by President Hage Geingob.

According to MIT-SMED Minister Immanuel Ngatjizeko, the Industrialisation Strategy and Roadmap (ISR) is anchored on the three pillars industrialisation, competitiveness and regional integration. "It is the blueprint for our regional efforts towards the attainment of our economies' structural transformation, underpinned by the adoption of our national industrial policies and implementation of the IUMP (Industrial Upgrading & Modernisation Programme across all member states," Ngatjizeko emphasised.

The strategy is to ensure that the SADC region fully benefits from its vast natural resources. Permanent Secretary in the Ministry Dr Malan Lindeque, said the private sector in Namibia would be the driver of the country's industrialisation. "Governments are merely enablers," Lindeque told participants during the well-attended seminar.

According to Dr Michael Humavindu, the new Deputy Permanent Secretary in the Ministry, the ISR is a roadmap until the year 2063 in recognition of the AU's 'Accelerated Industrial Development of Africa' plans and its and its Agenda 2063. The AU Agenda 2063 strives to make use of Africa's resources for the benefit of all Africans.

The SADC ISR is divided into three phases starting from 2015. Phase 1 runs until 2020, Phase II from 2021 to 2050 and Phase III from 20151 to 2063.

Value-addition and beneficiation of natural resources, energy capacity, infrastructure development and modernisation of SADC economies are the key factors of the ISR.

The SADC Region has abundant and diverse natural resources, especially in the mineral sector. SADC contributes about 55 percent of the world's diamond production and 72 percent of the global platinum production. Apart from mining and value addition/ beneficiation to mineral products, the Industrial Strategy also targets agro-processing and cross-border value chains. "Namibia is currently exploring cross-border value chains and industrial cooperation with Angola, Zambia and South Africa," Humavindu stated. "Namibia already has its Growth at Home Strategy for our economy as well as the Industrialisation Strategy."

"Challenges for industrialisation are infrastructure, energy supply, financing, value chain addition, skills deficit and gaining access to international markets," said Humavindu.

Financing the Industrialisation Strategy, will require an effective mechanism to fund the accompanying action plan. At the SADC summit at Victoria Falls in April, Zimbabwean President Robert Mugabe – the current SADC Chairperson – said funding had to be found.

"Just as we were our own liberators from the colonial bondage and oppression, we have to find the resources to free ourselves from economic bondage. In short we have to fund our industrialisation strategy," Mugabe said.

According to the 36-page ISR document, all SADC member states, which are at various levels of development, should "effectively target higher levels of growth and deeper structural change". Quantitive goals set in the document are among others regional economic growth from the current 4% to 7% annually, doubling the share of manufacturing value added (MVA) to 30% by 2030 and to 40% by 2050. In addition, manufactured exports in the SADC Region are to increase by at least 50% of total exports by 2030. Currently these exports stand at 20%. The share of industrial employment is planned to increase to 40% of total employment by 2030 in the SADC Region.

Information and communication technologies (ICT) are also high on the agenda of the ISR. SADC should strive to become an ICT manufacturing hub, the document recommends. The establishment of Sovereign Wealth Funds is also contained in the ISR. These funds have the specific aim to build capacity beyond the natural resource sector "through the plough-back of mineral rents (like royalties) into infrastructure and human capital development." Furthermore, returns from enhanced mineral exports would need to be ploughed back "into the modernisation of the natural resources sector" of SADC member states.

On the energy sector, the ISR encourages reliable energy supply and also renewable energy sources.

With regard to the role of the private sector in the ISR, the document states that "the private sector must be consulted and involved in implementing the industrialisation strategy and roadmap". SADC governments however have the role "to facilitate the establishment and growth of firms and industries that will exploit a [SADC] country's comparative advantage."

The ISR has been instructive in finalising the Revised Regional Indicative Strategic Development Plan (RISDP) of the 15-member strong SADC community, which was also approved by the extraordinary summit. The RISDP is a 15-year strategic plan approved by SADC leaders in 2003 as a blueprint for regional integration and development. The plan was reviewed to realign the region's development agenda in line with new realities and dynamics, including industrialisation.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Namibian Competition Commission

KNOW YOUR Competition Act 2 of 2003

The Competition Act 2 of 2003 (the Act), established through the act of Parliament, aims to enhance the promotion and safeguarding of competition in Namibia.

The Act applies to all economic activity within Namibia or having an effect in Namibia. The Act binds the State in so far as the State engages in trade or business for the production, supply or distribution of goods or the provision of any service, but the State is not subject to any provision relating to criminal liability. This Act applies to the activities of statutory bodies, except in so far as those activities are authorised by any law.

However, the Act does not apply in the following instances:

1. Collective bargaining activities or collective agreements negotiated or concluded in terms of the Labour Act, 6 of 1992.
2. In an instance where statutory bodies, organisations or associations come together (concerted conduct) to, for example, fix prices or engage in any other activity that translates to anti-competitive behaviour, with the aim of achieving a certain objective (non-commercial socio-economic objective) for the benefit of society. For example, price fixing of electricity by an authorised entity for the sustainability and affordability of electricity supply.
3. Specific goods and services exempted from the Act with the permission of the Minister of Industrialisation, Trade & SME Development, in concurrence with the Namibian Competition Commission. Parties can apply for exemption by applications to, either the noted Minister or through the Commission. Since its inception, the Commission has not received a request for such exemption of goods and services provided under the Act. The Competition Commission of South Africa (CCSA) has, for example, exempted the banking sector from the provisions of its Competition Act because the law that regulates that sector is inclusive of the competition regulation aspect.

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FAIR COMPETITION. PROSPEROUS ECONOMY

From Free Trade Areas to Industrialisation

Tarah Shaanika is the CEO of the Namibia Chamber of Commerce and Industry

By Tarah Shaanika

The signing of the Tripartite Free Trade Area (TFTA) combining Free Trade Areas (FTAs) in SADC, COMESA and EAC marked a significant milestone in Africa's economic development journey. It provides for better access for products originating from any of the participating countries into this expanded market with a total population of over 500 million people. Duties for such products are declining, up to zero for most of them as a result of that agreement. This is expected to create better conditions, at least theoretically for increased intra-Africa trade which currently stands at less than 10% of total exports.

This is long overdue. In fact, Africa has allowed itself to be exploited for the benefits of others for far too long. Although most countries on the continent have been independent for over 50 years now, and despite the fact that Africa has been a major source of raw minerals which fuelled economic prosperity elsewhere except in Africa itself, the continent still begs for money from others. We still have countries on the continent whose budgets heavily depend on outside funding. With the exception of a few countries, our continent still has no infrastructure and if it exists, most is in dilapidating status. This is shameful, to say the least.

Of course, the biggest challenge has been and still is the fact that Africa never speaks and acts in unity. Unfortunately we have been having incredibly selfish leaders, most of who could only remain in power because of the support from outside the continent. As a result, most African leaders never speak and act in the interests of the continent but in the interests of masters outside the continent. If we had spoken and acted in unity, Africa would be far advanced economically and technologically today.

I cannot stop but wonder why our leaders of yesteryear simply lacked clarity of vision and necessary courage to do what would have taken Africa forward. We should have created a completely free trade area in the entire continent long ago, imposed heavy export taxes on raw minerals and other natural resources, educated massive numbers of our youth and built infrastructure connecting the continent extensively to facilitate easy movement of goods and people within Africa. This would have created an incredibly large domestic market attractive enough to have investments in value adding activities on the continent.

We should have also created a politically and economically united continent which speaks with a single voice and acts in unison. This would have made Africa the most prosperous continent because we would have been in charge of our own resources and have a sizeable domestic market which would have fuelled growth.

Economic history is very unambiguous about what made rich nations rich. Historically, no rich nation became rich from exporting raw material and importing finished products. That lesson of history should have made our leaders to make better policy choices. They knew about that fact, because if you read speeches of African leaders at OAU/AU meetings and other platforms, they spoke passionately about the need to manufacture locally and thrive on the export of finished products. But as fate had it, the same leaders could not act on creating value adding industries as passionately as they spoke about it.

It is very saddening to some of us when we read what happened to those leaders who pushed the African political and economic unity agenda such as Kwame Nkrumah, Patrice Lumumba and Thomas Sankara to mention but three. Unfortunately, some unpatriotic and selfish Africans embraced puppetry of others and allowed themselves to be tools against progress on the continent. Those Africans who allowed themselves to be used by other people from outside the continent, whose only interests were to plunder African resources at the expense of the continent's inhabitants, are the source of the confusion, poverty and backwardness that we see all over Africa today.

Something is wrong with us, Africans. It still pains me when I think about how we agreed to negotiate a trade deal with the EU, called the Economic Partnership Agreement (EPA). Although we are now better informed, I thought, we still decided to negotiate that deal just over a decade ago as a divided continent. Some African countries negotiated as ECOWAS, COMESA, EAC or SADC.

In fact, we seemed to have preferred or were perhaps pressurised to make the conclusion of EPAs a priority above our own internal TFTAs. I thought it would have made perfect sense to prioritise TFTAs and even a Continental FTA before we concluded EPAs because that would have allowed us to create our internal common markets first before engaging in negotiations for trade deals with external partners. And we would then negotiate for a single and not several EPAs with the Europeans. You can now imagine how complicated trade is going to be with the EU. We should have prioritised regional and continental economic integration before we entertain others' hunger for our markets and resources.

Enough with what would have happened if this or that happened. There is a saying in Oshiwambo language which says: ***'Ando ihayi udhitha okagadhi'***, loosely translated 'one will not make a basket full by keep saying this or that should have happened'. Here we are, with a continent still endowed with natural wealth despite the theft and unfair deals we were subjected to by our selfish and ignorant leaders. What can we do to reclaim Africa's glory going forward?

Clearly, the TFTA signed recently in Egypt is one of the corrective steps which can be taken. We will also pursue a continent-wide FTA which will provide better access for African products in the African market. That will be a giant step forward. But signing FTAs and making a theoretical expansion of the market within the continent is not all we should do to move the continent forward. We need to push for local value addition, develop infrastructure, improve governance and develop human capacity through education and training.

African Governments must speed up infrastructure development on the continent so that we create the required connectivity within Africa for easier, faster and cheaper movement of goods and services in our market. But we must NOT open up our market so widely for products from outside the continent as yet. We need to be extra-careful about the trade deals we are entering into with external partners. Africa needs to protect its infant industries and build them up to a level where they can compete globally. Every other developed economy followed that route and Africa will make a mistake by thinking that they can create a different route to development.

Africa also needs to reduce its reliance on others to finance, develop and maintain infrastructure for it. The "lack of capacity" song has been sung for far too long that it is beginning to be annoying. If capacity is the problem, why are we not creating it? It has become so normal that every infrastructure project in almost every African country is financed and implemented by foreign companies, usually without any or much participation by African companies. That begs the question of whether we are interested in building local infrastructure development capacity at all or we are too comfortable getting projects done by others.

I wonder if our Governments realise that it would be much more beneficial if our infrastructure budgets are spent locally as far as possible. You keep all the dollars locally, creating wealth and employment if projects are done by local companies. If we don't have local companies with capacity, we should create them. Don't tell people "we have no local capacity" all the time.

The theory of 'The Spider Web Doctrine' promoted by renowned Nigerian Author, Chika Onyeani, best known for his book 'Capitalist Nigger', makes so much sense. This theory suggests that one should spend money within one's circle. If every member of a community buys goods and services from other members of the community, money keeps circulating and multiplying in that community. It's like a spider web which keeps every fly that gets into it. Once in, it never gets out. It becomes food for the spider. That's what we need to do in Africa. Buy from local and your own suppliers of goods and services. Once the dollar gets into Africa, it should remain circulating and multiplying to create wealth for Africans.

Our Governments still do not trust their own local companies, unfortunately. We still have many projects which could have been carried out by local companies, given to foreign companies. Apparently they are cheaper but if you look closely at the cost to the economy, a local company which is 20% more expensive in its bid for a project than a foreign company is still less costly to the economy than its "cheaper" foreign competitor who usually gets the contract. And worse, we still have foreign companies paying bribes to selfish politicians and civil servants to get access to Government contracts at the expense of local companies. They ship whatever money they make out of the country to develop their economies at home and our politicians and civil servants don't seem to see that or they simply look away and ignore.

Keeping money local builds local capacity which we keep claiming is lacking. It also fuels faster economic growth and creates wealth locally. We must therefore set targets for our procurement budgets in Africa so that more and more goods and services are procured from African suppliers. We must create companies jointly owned by various African states and local investors, which can progressively acquire capacity to do infrastructure projects. In a space of 10 years, we can have our own African companies building roads, railways, airports, seaports, bridges, buildings, towers and so on. It is embarrassing that even a clinic or small primary kindergarten would be built by a company from the East or West.

If we are to industrialise and take advantage of the TFTAs, we must put an end to the practice of preferring foreign companies under the pretext of capacity. We should begin with what should be relatively easier and then progress to more complicated things. If we cannot build a school ourselves or a 50 kilometre road, why do we think we could manufacture construction equipment? Industrialisation can take place if it is based on critical pillars such as public procurement, technology and agricultural activities.

Putting tablets into bottles at one of Fabupharm's production lines

Namibia's only pharmaceutical factory expands

Namibia's sole pharmaceutical manufacturer, Fabupharm has not only grown tremendously since inception over 20 years ago, but plans further expansion and envisages to locally produce anti-retroviral therapy (ART)) medication used by HIV-Aids patients. This will reduce costs for the patients.

Fabupharm Pty Ltd is based in Otjiwarongo and started operations in 1990 from humble beginnings. It is wholly Namibian owned and has an official manufacturing GMP (Good Manufacturing Practice) Licence from the Namibian Medicines Regulatory Council (NMRC). Fabupharm also complies with the World Health Organisation (WHO) standards.

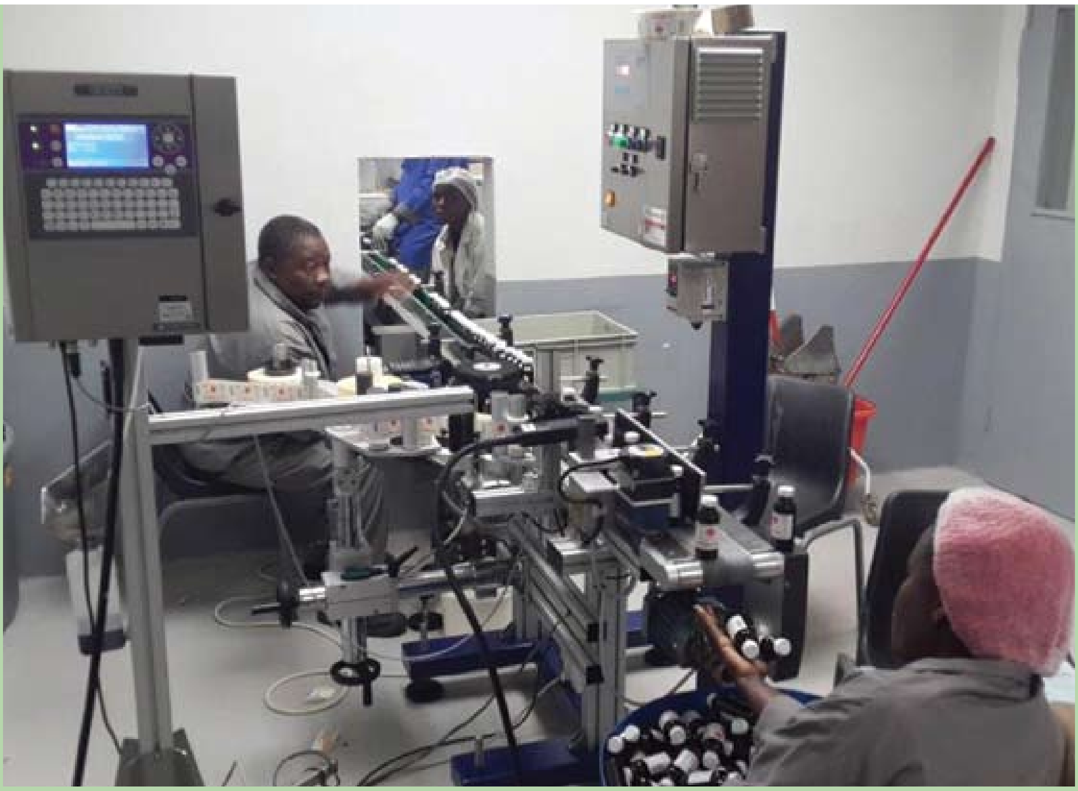
"In the previous financial year we invested N$3.4 million in clean room technology, the internal and external production division, the air handling system, a sachet filling and blending machine and a capsule polisher," Carl Brinkmann, Sales Director at Fabupharm and a partner in the company told reporters recently. "These investments are necessary in order to remain GMP compliant."

The company sticks to its principle of manufacturing medicinal and pharmaceutical products of high quality but at affordable prices for Namibians. It distributes its products to retailers and pharmacies across the country and delivers pharmaceutical products to Government through official tender processes.

The company's decision to expand was based on the fact that health care is a growing market. Fabupharm is the only pharmaceutical manufacturer in Namibia; with Fanie Badenhorst as Managing Director. "We will launch several new products in the coming year," says Badenhorst. Last year, four new pharmaceutical products were launched. A range of baby care products is also on the cards.

"Opportunities exist to export our products to surrounding African countries and to also grow the market locally. We are also adding value to Namibia by procuring materials in the country such as Devil's Claw, Hoodia and Mangetti Oil," said Brinkmann. These three products are natural medicinal remedies known to indigenous communities in Namibia for centuries.

Making available new products to the market entails additional production rooms, equipment upgrade and replacing equipment like the High Performance Liquid Chromatograph in the laboratory. The increased liquid



Fabupharm employees operate bottling plant machinery

Sun blocker made in Namibia

filling line capacity will double the production of liquid medications for Fabupharm, particularly those which are supplied to the central medical stores of the Namibian government.

The company will invest some N$13 million over the next two years to implement its expansion plans.

In the last financial year Fabupharm's revenue increased by 57%. About 30 new jobs were created and employment figures virtually doubled from 35 to about 70 staff. Fabupharm expects a further 35% growth in jobs due to further expansion plans such as a new tablet and capsule plant. This plant is set to be completed by June next year. The pharmaceutical manufacturer also wants to set up its own plastic bottle plant at Otjiwarongo, which will give that town another economic boost. It will produce small plastic bottles of various sizes to package medicines. "Negotiations with the municipality for a suitable plot of land to build the bottling plant have started. This facility will be set up in the industrial area of Otjiwarongo.

Fabupharm announced in June that it signed a memorandum of collaboration with the Northwest University (NWU) in South Africa to share product development, research and patent information with the institution. The focus of the MoU is on two specific product patents, one being the antibiotic Azithromycin and the second is the anti-retroviral drug Nevirapine for people living with HIV-Aids.

It will be the first time that an ART medication will be manufactured in Namibia. To ensure the highest quality standards for these two products, Fabupharm recently appointed Dr R.W. Odendaal as its quality assurance pharmacist. During his studies at NWU, Odendaal researched and developed the two patents. The ownership of the two patents remains with the Northwest University, however.

Exports of Fabupharm's products to South Africa are for the time being not possible due to a ban on the export of medicinal products from Namibia to South Africa. "Talks with relevant stakeholders about lifting this ban are taking place, but it remains one of our key challenges," Brinkmann explained.

Fabupharm supplies leading retailers such as Shoprite, Checkers, Pick 'n Pay, Woermann & Brock, Spar, OK Foods and Metro in Namibia. However, some local branches of South African companies do not purchase Fabupharm products such as Clicks, JetMart, Edgars, Ackermans. With the new Retail Charter currently drafted, this might change soon for the better.

Fabupharm furthermore produces a local sun protection cream, which is also promoted by the Cancer Association of Namibia, with the support of a local bank. Fabupharm supplies the sunblock to CAN at cost price

Fabupharm is a member of Namibia's Manufacturing Association (NMA). The company also cooperates with the University of Namibia (UNAM). Several UNAM students from the Medical School doing pharmaceutical studies are given the opportunity to work as interns at Fabupharm.

Competition Commission role in reducing income inequality

Mihe Gaomab II is the CEO of the Namibian Competition Commission

By Mihe Gaomab II

WHILST reminiscing about developmental efforts at a Board meeting of the African Development Bank, I had that glimpse of time to catch up on my reading and purchase the latest economic thriller, 'Capital in the Twenty First Century' by Thomas Piketty.

I pondered on my economic passion of how competition regulation in a small economy such as Namibia can assist in reducing income inequality and poverty reduction. His book talks rightfully about rising inequality in the world and emphasises the widening disparity between the small sized population of 'haves and the bigger sized population of 'have nots' of income and wealth.

It is no secret that the Namibian economy has also one of the most unequal incomes in the world measured by what economist call the Gini Coefficient. Piketty also writes about how the world has grown in terms of GDP but such growth has benefitted the small minority of the world population at the top for the past 40 years. He alludes that such growth stimulated competition for goods and services such as real estate and luxury items that the rich can afford and marginalised the majority from any opportunity to share in buying such goods and services. Such increase in wealth has however not translated to productive capital to assist in creating a multiplier effect of trickling down incomes to those who don't have it thereby to increase the measured wealth of the nations thus aiding in reduced income inequality.

Piketty actually raises one fundamental point that the wealth-output ratio has increased overtime for the global economy thus meaning that the minority of the population in the world has actually been getting wealthier but has not translated such wealth for productive investments but for consumption goods. Such is the current stark reality of capitalism that it has lost a human face of growing the wealth only to consume material goods and not for the benefit of its population hence keeping the income inequality not only higher but pervasively in the world.

As a competition economist, I beg therefore the question, how did economies grow at the expense of people relying on what Piketty call the positional goods? Well, wealth must have been contained only in those sectors and goods where the wealthy competed amongst themselves to grow such luxury goods. This can only be evident where in today's dollar currency a watch can be sold for N$1 million or a luxury golf shirt can fetch over N$20 000. This untenable situation has the habit of concentrating the wealth and by extension competition only in those sectors and goods whereby money exchanges hands amongst the rich and elite and keeping the monopoly power going and the businesses thriving only for the wealthy at the detriment of the poor, of which the majority ought also to partake as consumers.

This leads to as Piketty calls it the diminution or the devaluation of human capital, which ought to be the majority of the people who yearn for partaking into the economies. That is why I understand why we are calling for additional policy measures such as Black Economic Empowerment in Namibia and Affirmative Action employment in USA and welfare state schemes in Europe to try and bring in more people into the mainstream of the economies.

Piketty analysis of income inequality tells us one crucial message, that the market economy as we know it and business competition as we attach value to it does not work. There is therefore a shift orientation needed not just to leave the market to its 'invisible hand' but to have 'visible hand' of competition regulation to effect behaviours and structure of the markets in the world.

That's where we as competition regulators come in where there is need to affect the market economy for ensured reduced income inequality and getting more people on board economically, there is an undeniable fact that competition authorities can have a role to play in structuring the economy thereby structuring the incomes and wealth of its people. In our part of the world such as Namibia and South Africa, such clearly defined need does not need a rocket scientist to understand it.

We can play our role as competition regulators not only to sustain the right behaviour of firms and businesses but to structure their market conduct correcting distortions through competition rules.

Thus Piketty forecast of widened income inequality provides cold comfort to competition authorities that their role is not just to enforce fair competition through the implementation of the Competition Act but there is a unequivocal need to be developmentally conscious as well to enforce competition law for a broader common good to correct market imperfections that entrenches not only of high levels of income inequality but also high levels of poverty. As competition authorities, we need to be mindful of developmental outcomes that would not only reduce inequality but increase economic opportunities for consumers, producers, and the broader segment of the population.

The main pre-occupation that Piketty is advising us as policy makers and regulators is that political democracies may not rule the future for economies to thrive but it would be the economic democratisation of people especially the consumers that would mean a lot for us to at least contribute to the capitalism of the day with a smiling human face. We owe it to our economies and certainly to the citizens as a whole.

Mobile apps - a business revolution

Michel Onwordi from Green Enterprise Solutions

Pick up anyone's smartphone and you will definitely see a host of colourful mobile applications (apps) that are a likely indicator of their news, entertainment, retail and other lifestyle preferences.

The mobile app development industry is going from strength to strength, and many companies have incorporated apps into their marketing strategies in order to increase the visibility of their products in an already crowded and competitive digital space. Apps are a convenient way to bring ideas, concepts and products closer to the consumer—your brand is literally always in their pocket.

Team Namibia's recent launch of its first-of-its-kind mobile app illustrates the use of technology to support organisational strategy. The organisation is tasked with mobilising Namibian consumers to buy local, as well as driving the promotion of the production of quality local products and services.

The new app provides an interactive platform which is expected to increase the awareness of locally manufactured products available at local retailers. According to the developers, Green Enterprise Solutions, the app will be available for free download on Android and Apple devices. The app will activate a specific sound when a consumer is in a retail shop aisle containing Team Namibia products.

"The number of people using mobile devices steadily increases each year. However, a number of those owners do not fully realise the potential these devices have to positively impact their lives. I believe a major reason for this is the lack of locally relevant applications out there. Therefore, I expect that with the release of this app Namibians will begin to see the potential mobile apps have to add value to their everyday lives," says Michel Onwordi, mobile applications engineer at Green Enterprise Solutions.

According to Statistica Statistics Portal, as of May 2015 Android users were able to choose between 1.5 million apps, while Apple's App Store had 1.4 million available apps. Industry observers have predicted that, as consumers become more tech-savvy, startups will develop apps before they even develop their websites- in a bid to gain instant access to the consumer and other relevant stakeholders.

In a LinkedIn post last year, Web and Mobile Application Architect Tim Owens noted that, "…We are likely to see a bifurcation [splitting into two branches] of websites. The ones publically on the net are likely to be more informational, marketing, lead generation, presales and sales type sites. The delivery is much more likely to be with apps on the front end and restful web services on the backend. Once they have transitioned from a visitor to a consumer of your web application there is more benefit to both sides when using an app as the front end." Onwordi doesn't expect apps to replace setting up websites, though. "I rather expect that in the near future, most B2C (Business to Consumer) companies will consider the possession of a mobile app as important a priority as a website," he says.

"As much as I love developing mobile apps, I do not believe every business requires an app. Mobile apps are important primarily for B2C (Business to Consumer) oriented businesses. These businesses rely on directly engaging with consumers in as many ways possible. To these businesses mobile apps could potentially offer an innovative and exciting platform to reach customers easily and efficiently on a local, regional and global scale."

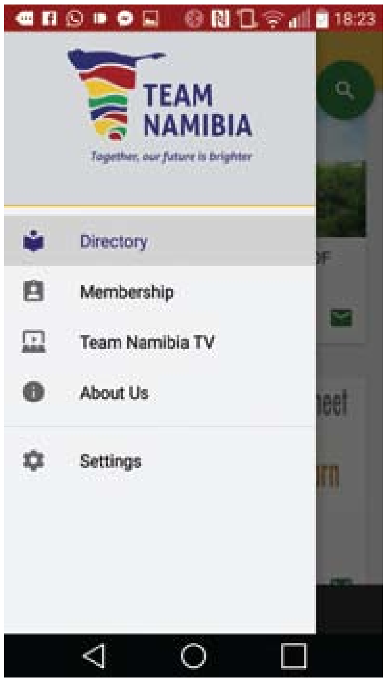
But with the large number of apps available to phone users (and competing for space on our screens) what can companies do to ensure their apps remain relevant?

Onwordi believes the provision of social media integration is a key feature in driving and retaining user engagement with an app.

"An app that is guaranteed to remain relevant is one that influences the way people do things. If an app is developed in such a way as to augment people's lifestyles, the use of it turns from being just a convenience to a habit. Examples of such apps are Facebook and WhatsApp. You'll often find people engaging with these apps out of habit rather than need. Creating something like this requires very strong user research and user experience design," he says.

Therefore, beyond supporting an organisation's marketing and sales strategy, apps should be of actual use to the consumer- providing information, knowledge and convenience.

The Team Namibia app features a directory, membership information, a link to Team Namibia's YouTube page and general information about the business support organisation's promotion of locally manufactured goods.



A screenshot of the Team Namibia mobile app

Onwordi adds that the app was designed with simplicity in mind. The various features offered are easy to discover and engage with. The app features simple icons, inviting colours that are easy to relate with and have a clear meaning, thus making the interface intuitive for novices and experts alike.

While he doesn't reveal much about how exactly the app will operate, he says that when the consumer is in a shop, he or she will be able to use the mobile app as a verification device. "In our stores these days there are a number of goods being branded as Namibian even though they have no affiliation with Team Namibia. Therefore, with the search verification feature, a consumer can determine if the company offering a service or a product is a certified member of Team Namibia."

The development of this app is an indication that Namibia is well on its way to being represented in the mobile app sphere. Still, a few challenges remain.

"Mobile apps thrive on using existing data and converting it into new forms of information that add value to an individual's life," Onwordi explains.

"In Namibia right now, a large number of our services and data are captured and processed in a manual way and therefore most of the information we could use to create engaging, informative and beneficial services is not available. However, there is a growing awareness for the need to change this. I believe that as we as a nation embrace the use of technology in our service industries mobile applications will begin to become more and more relevant. Therefore, I think there is strong potential for mobile applications in Namibia in future," he says.

PUBLIC NOTICE

15 June 2015

TERM OF OFFICE OF THE CHIEF EXECUTIVE OFFICER OF THE NATIONAL HOUSING ENTERPRISE (CEO)

The NHE Board of Directors hereby informs the Namibian public that the term of office of the current CEO of the National Housing Enterprise (NHE) is coming to an end at the end of 31 August 2015.

The current incumbent, Mr. Vinson Hailulu having expressed himself that he will not be available for another term, the Board of Directors hereby takes this opportunity to thank Mr. Hailulu for growing the NHE brand and for his exceptional leadership which he has displayed over the years as CEO of the NHE.

Under his leadership, NHE, as a public entity has grown from strength to strength. During his tenure of office Mr. Hailulu has played a pivotal role in transforming NHE into a formidable public entity as well as contributing to the development and architecture of the current national housing policy. The Board is very grateful for having worked with Mr. Hailulu during the implementation of the Mass Housing Development Program.

The Board of Directors, Management and staff of NHE, take this opportunity to wish Mr. Hailulu well in his future professional endeavours.

Mr. Jason Nandago
Board Chairperson

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My Republik clothing brand: By Namibians, for Namibians

My Republik, Namibia's first locally-designed, manufactured and retailed commercial clothing brand is poised to conquer the local and international retail clothing market.

The brand was officially launched by Prime Minister Saara Kuugongelwa-Amadhila in June.

The brand's Managing Director, Ally Angula said, "The My Republik journey started during 2010, when the idea was born that only by manufacturing items can we really generate economic development to propel this country forward."

However, this appeared to be a tall order coming after the collapse of clothing giant Ramatex and the apparent reluctance by the mostly South African retail outlets operating in Namibia to stock Namibian-made products.

"We also heard that Namibia has a population of just 2.1 million people, a big draw back when we are talking about manufacturing, I heard that our population would make our manufacturing aspirations uneconomical. So I thought, ok, a valid point maybe but hold on, we have people that have come from their respective countries, crossed borders and came to open up here to retail to us so there must a local market surely and then once that local market starts to show maturing then perhaps the discussion should move to how do we use the transport strength of this great nation to manufacture here and feed a bigger market in our neighbouring countries or even 5th Avenue in New York or Oxford Street in London," said an ambitious Angula.

She said with the confidence that had been built in the My Republik brand, the young team ploughed ahead and "today we are here celebrating the brand that wants and has decided to be part of crafting the future of this country".

My Republik, with retail outlets at Grove Mall and Maerua Mall, has created 39 permanent jobs and plans to increase this number to 100 before the end of the year with the opening of bigger production facility in Witvlei.

"We can only gain prosperity by supporting entrepreneurial activities that are sustainable that create gainful employment. We cannot create it by creating systems that encourage quick ways of making money, we cannot create it by being comfortable to export money that should be circulating in our own economy. We cannot create it by not recognising that societies are moved forward by entrepreneurial spirit, the people that go out, every day, fight to make sure that everyone is paid before they can feed themselves, we cannot create it with a banking system that does not understand the role of entrepreneurs and lastly we cannot create it if we do not support Namibian companies; that create jobs and skill our people," said Angula.

She also unveiled a hectic programme for the brand for the next 36 months which will see five My Republik stores operating in Namibia, six in neighbouring Botswana and four in Zambia.

MD of My Republik, Ally Angula and Prime Minister Saara Kuugongelwa-Amadhila browsing the store that was set up specially for the launch event

Models showing off My Republik's new designs

Prime Minister Saara Kuugongelwa-Amadhila commended the My Republik team for its innovation and boldness in coming up with a new clothing brand that is truly and proudly Namibian.

"As leaders, this innovation and boldness of the young Namibians is what we have dreamed for, it is what our forebearers who sacrificed to bring freedom had in mind… So I will be happy to travel to America and find clothes from My Republik. It should not only be American and Chinese products here, we should also be out there," said the Premier.

Kuugongelwa-Amadhila also used the opportunity to appeal to Namibian retail traders to stock local products. "I am getting a little bit tired of being invited to open these shops that are distributing foreign products. It's not that we are not welcoming other investors but we would also like to see our products on the shelves," she said.

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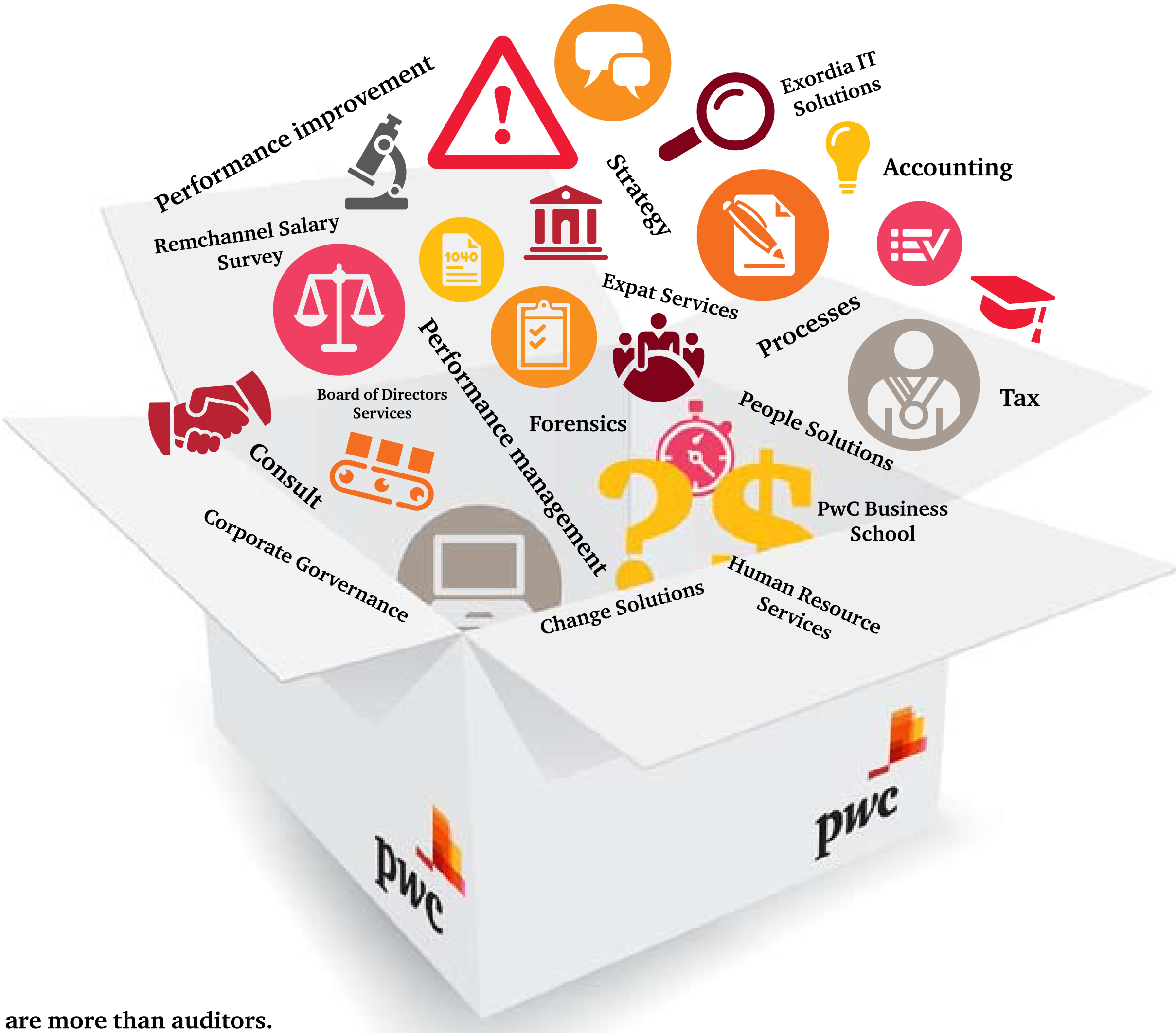

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