



REMARKS AT CHEVENING ALUMNI EVENT

Mr lipumbu Shiimi

Governor

29 August 2018

Director of Ceremonies;

High Commissioner Kate Airey;

Sir Simon McDonald, Permanent Under-Secretary: Foreign and Commonwealth Office,

Chevening Alumni;

2018/2019 Chevening Scholars;

1. It is an honor for me to be here today, bidding farewell to the 2018/2019 Chevening scholars and at the same time, an opportunity to connect with the growing network of Chevening Alumni.
2. My talk this afternoon, is centered on the status of the Namibian economy with a view to inform you esteemed scholars of your contribution to propel Namibia forward.
3. **Namibia, as some of you are keenly aware, has been experiencing a difficult economic environment.** The Namibia Statistics Agency recently released a revision of the GDP growth in 2017 from -0,8% to -0,9%. Going forward, the Bank of Namibia forecast the economy to grow by 0,6%, slightly better than last year's contraction. Namibia's per capita income (defined as the country's Gross National Income divided by the total population) also shows that per capita income is on the decline. There are statistics that show that for us to attain Vision 2030, the economy needs to grow at an average of more than 7%. We therefore need to work hard to achieve that growth.
4. **The question then is: what should Namibia do to increase growth and create employment? Or in other words, what sectors should we focus on to increase growth and employment?**
5. **Agriculture is one of the critical sectors that we have agreed (as a nation) to focus on.** Despite the agricultural sector being a priority sector in our National Development Plans (NDPs), progress in the sector has been limited. There is a high reliance on imports of agricultural products. Namibia imports about 60 percent of its food requirements, and also consistently records production deficits in most crop categories.

- 6. As indicated in NDP5, we have to focus on how to attract private investment in the agricultural sector.** But for us to do this, there is a need to improve land tenure and the tradability of land in the rural areas so as to spur investment in commercial activities.
- 7. The potential of the tourism sector is also well known. We are often told that out of every 13 tourists visiting our shores, 1 job is created.** By 2022, Namibia expects to have a diversified and competitive tourism sector and increase the number of tourists' arrivals from 1.4 million in 2015 to 1.8 million. However, a number of challenges threaten the viability of the sector from reaching these targets. These include:
- **Lack of product development:** there is a need to innovate new products to attract diverse tourists with unique needs.
 - **Lack of infrastructure:** development of infrastructure in terms of airports, roads, water and information & communication infrastructure which are currently outmoded or are not developed in an integrated fashion, needs to be addressed.
 - **Incentives for investment:** there is need to create incentives to attract investment into the tourism sector.
 - **Lack of skills:** the sector is characterized by a skills mismatch. Also, the need for basic and soft skills, including non-tourism institutions engaging tourists, should be urgently addressed.
 - **Marketing and promotion of Brand Namibia:** the budget allocated to tourism sector marketing is not sufficient enough to yield adequate returns.
- 8. I believe these challenges are not insurmountable. As a country we have lofty dreams and plans in place, and we have dared to dream big.** What matters now is not so much the journey we have traversed thus far, but what is it that we should do to turn our fortunes around. The answer lies in the depth and quality of the human resource at Namibia's disposal to put shoulder to wheel and work towards making these plans a reality.
- 9. And that's where you come in. You will be studying in fields that are critical for Namibia's march to prosperity.** One of you will be studying agriculture (Food Science) a sector that is pivotal to growing the manufacturing capacity of the country and reduce its reliance on importing food, the importance of the sector cannot be over-emphasized.

Another among you will be studying the sustainability of the transport sector, which by the way, is another prioritised field in achieving Namibia's aspirations of becoming a logistics hub for the region. Two amongst you are studying health. For us as economists, this is vital to the wellbeing of the nation, especially the quality of the workforce that is currently impacted by poor productivity levels owing to alcohol abuse and the like. One of you is studying Data Science and Analytics, another emerging field that is increasingly becoming important for Namibia to leapfrog the digital divide and take advantage of the evolution of technology (Artificial Intelligence, Big Data). So, is the one studying arts and culture. The creative economy is often undervalued and has the ability to help develop and diversify our tourism product. Last but not least, the other fields of study including law, environment and petroleum geochemistry, metals and energy financing, are all critical and important for our country.

10. As you embark on this new journey continue to reflect on your place under the sun and the important role you have to play in taking Namibia forward when you come back. Be mindful that Namibia's success is ultimately connected to your individual success.

I thank you.