

**Welcoming remarks by Mr. Ipumbu Shiimi, Governor of the Bank of Namibia, at
the 12th Annual Symposium on: SME development in Namibia**

Windhoek, 29 September 2010

Director of Ceremony

Distinguished invited guests

Distinguished Speakers and Discussants

SME Owners and Service Providers

Members of the Media

Ladies and Gentlemen

Seeing you all here today gives me a reason to express a sense of gratitude. Many of you have graced this annual event for the past eleven years with your presence and contribution. A warm welcome to you all!

Today marks the 12th year that the Bank of Namibia is hosting this event. As it has been explained in the previous symposia, the purpose of the Annual Symposium is to stimulate debates and policy dialogues on relevant economic issues affecting our country. As such, we consider this event to be one of the significant processes aimed at contributing to the development efforts of Namibia. Over the past years, I believe that we have collectively achieved this objective. For this we are grateful.

As a tradition, we thought of tapping into the expertise of our colleagues from within and outside the SADC region. Join me in extending a special welcome to our guests. We wish them an enjoyable stay in Namibia. Hopefully, they will find sometime to explore the beauty of Namibia as tourists, if that is not possible now; we kindly invite them to come back. Let me also extend a warm welcome to our local speakers. Thank you for honouring our invitation.

Ladies and Gentlemen, even though we have made considerable strides in the economic policy sphere, the three related daunting challenges of poverty, unemployment and income inequality continue to haunt us as a country. Therefore, as economic planners and thinkers, we are called to further action aimed at facing these challenges head on. It is in this light that the theme for this year's Annual Symposium is "SME Development in Namibia". The role which SMEs play within an economy cannot be over emphasised. This is because SMEs have the potential to create employment and contribute to economic growth of a country. This realisation is equally true for both developed and developing countries. The importance of the SME sector within the economy has been amplified by the current global financial crisis. Acknowledging the role of SMEs, the American law makers recently passed a bill to the tune of USD30 billion aimed at encouraging local banks to lend to small businesses, as a way to further grow their economy out of the crisis. Equally, countries with thriving SME sectors appeared more resilient during the economic crisis. For example, countries such as India registered economic growth close to a double digit, even at the height of the crisis. It is reported that India's SME sector contributes about 50 per cent to India's total exports.

Director of Ceremony

The Namibian Government has recognised and acknowledged the importance of the SME sector within the economy. As one of the ways towards achieving the ideals of

our National Vision, Namibia aspires to have a flourishing SME sector by the year 2030. The importance placed on this sector therefore, is evidenced by the special attention and efforts directed to this sector. To this effect we commend various efforts by the Government of Namibia, particularly the Ministry of Trade and Industry towards developing the sector. These include amongst others, the existence of the dedicated department which deals with SME issues in the Ministry of Trade and Industry, the establishment of various physical infrastructure to provide an enabling environment for production and trading by the SMEs, as well as Government efforts to provide financing to this sector. Initiatives by the private sector as well as non-governmental organisations (NGOs) aimed at assisting SMEs are also acknowledged. These efforts, both by the Government, private and NGOs, *Ladies and Gentlemen*, ought to be applauded.

Despite these efforts however, there is still room to further develop our SME sector for it to contribute meaningfully to the economy. There are several challenges, which are currently hampering this sector to flourish. Access to finance has been identified as one of the key obstacles. Additionally, limited business support services and entrepreneurial skills also pose a challenge. These challenges therefore suggest that as a country, we still need to do more, and or perhaps more players need to be involved in the development of SMEs. Namibia equally needs to identify the appropriate financing model for SMEs. For a country with widespread poverty and a high level of unemployment, we are compelled to seek solutions to these challenges. It is believed that finding solutions to these challenges will not only broaden our economic activity base, but also address the issues of poverty, unemployment and income inequality. I hope by the end of today's deliberations, we shall find a workable consensus on these very important issues.

Director of Ceremony

Our gathering here today should therefore be seen as a sacred call, to deliberate on these very important issues aimed at complementing the efforts by the Government

of building a thriving SME sector. I do believe that with the unwavering commitment from all role players, we can develop a flourishing SME sector as one of the important milestones towards the ideals and promises of prosperity and employment creation set out in Vision 2030. *Ladies and Gentlemen*, let me welcome all of you once again to this year's Symposium, and please enjoy the rest of the day.

I thank you for your attention!

