

**BUDGET MOTIVATION SPEECH BY TOM K ALWEENDO, MP  
NATIONAL ASSEMBLY, WINDHOEK  
22 APRIL 2015**

Honorable Speaker

Honorable Members

I rise before you to motivate the budget request for Vote 26. It is in this respect I congratulate the Honorable Minister of Finance for having tabled a budget that, if timely and effectively executed, has a real opportunity to deliver prosperity for our people.

In terms of article 129 of our Constitution, the National Planning Commission is established in the office of the President to *“plan the priorities and direction of national development”*.

Honorable Speaker

In order for us to deliver prosperity to our people, we are convinced that the most effective economic development model is where the Government is in the driver's seat. For some time now, the prevalent worldwide wisdom on economic development has been that sustainable economic development is only possible when a country follows free-market economic policies. A free-market doctrine prescribes that the state plays a facilitating role in economic development and leaves the rest to the private sector.

The reasoning behind this proposition is that Governments inherently lack the necessary information and know-how to make informed business decisions. It is argued that given the profit motive, private sector businesses always have better information and therefore will make superior business decisions. To further justify this proposition, it is also argued that decisions that are good for businesses are necessarily good for the economy and therefore for the general public.

Honorable Speaker

It is my contention that there is nothing inherent about Governments' inability to pick economic winners. We know of many examples where Governments successfully picked winners – including those that are today advising others against it. It is also my argument that given our level of development, it will be inappropriate of us to believe that a pure free-market economic development model will yield the necessary results in a timely fashion. What we need is the State that is investing in the necessary infrastructure – physical and non-physical – without which no meaningful economic development can take place.

I would also like make it clear that I am not promoting a wholesale replacement of the private sector with the public sector. What I am advocating is to dispel the notion that suggests that only private sector businesses can pick economic winners. I am also not suggesting that when picking winners, Governments cannot fail while doing so. There are numerous cases where Governments all over the world failed at picking

winners – just as there are numerous cases of private sector failures.

Honorable Speaker

At the National Planning Commission we have embraced our responsibility of planning our economy earnestly. We are convinced that with the cooperation of all our stakeholders, public and private, we will be able to navigate around the complexity of economic development and deliver on our mandate.

We will continue to advocate for prioritizing public investments in those economic sectors where we believe we have a better chance of a high and sustainable economic growth and therefore new employment opportunities.

Honorable Speaker

One such area of priority under NDP4 is to transform our economy into an international logistics and distribution hub. A logistics and distribution hub is a system where you have a supply chain management that is efficient in planning,

implementing and controlling the flow and storage of goods and services between the point of origin and the point of consumption. Such a system is only possible when an economy is competitive in terms of the general business environment, transport and communication infrastructure and the extent to which border administration facilitates the entry and exit of goods.

Honorable Speaker

I am happy to inform this august House that we are making meaningful progress toward the realization of our goal of becoming a logistics hub. We now have a Logistics Master Plan that provides a detailed future image of Namibia as an international logistics and distribution hub. We are now busy with the drafting of a clear implementation strategy. It is our view that we need to create an implementation Unit with a clear mandate, authority and resources to implement the master plan. It will also be desirable that the implementation Unit is given a fixed timeframe within which to implement the

plan. In this manner, I believe, we will have a better chance to achieve the success we seek.

Honorable Speaker

I will be the first one to admit that the necessary public investment required to put our economy on a high and sustainable growth trajectory will be enormous. I am also aware that there are those, including some honorable Members, who are anxious about the affordability of the needed public investment. They caution against high budget deficits that will lead to unsustainable public debt.

These are legitimate concerns that should not be ignored. I therefore want to assure you that one of the principles underpinning the formulation of NDP4 is the maintenance of our macroeconomic stability, without which it will be impossible to achieve the set targets. What is equally important is for us to recognize that in the long-run we cannot resolve the problem of unsustainable debt and deficits without a credible economic growth strategy. In the long-run, it is only sustainable economic growth that is capable of successfully addressing the

twin problem of deficit and public debt. It is therefore our considered view that we will be better served if we use our fiscal space to invest in the growth of the economy.

Honorable Speaker

You will recall that in 2011 Parliament passed the Statistics Act that established the Namibia Statistics Agency (NSA). The NSA was made operational in April 2012 and it is now the central repository of all statistics produced in Namibia. I am happy to report that since the NSA was established, much progress has been made with respect to strengthening our statistical system.

In this regard, it is satisfying to note that the NSA's medium-term strategic plan is in line with the requirements of the NDP4. It is noteworthy that today the key macroeconomic statistics including the Annual National Accounts, Quarterly GDP statistics, Quarterly Trade Statistics and Monthly Consumer Price Indices are all up to date. It is also the case now that we do produce annual labor force statistics as opposed to every four years as it was before the existence of the NSA. You will also be happy to know that the NSA rebased both the

National Accounts and the Consumer Price index to better reflect our economic reality.

While a lot has been achieved since the establishment of the NSA, more needs to be done to strengthen the national statistics system. We are living in times of uncertainty and volatility where real time data has become indispensable to inform evidence-based economic planning.

Honorable Speaker

The NPC is also charged with the responsibility to monitor and evaluate the progress we are making with regard to the implementation of our development plans. An effective monitoring and evaluation system is indispensable. It will provide us with the necessary information that will make us achieve better results. In performing our function of monitoring and evaluation, we will continue to rely on the full cooperation from all our stakeholders, especially in terms of providing data and information related to the implementation of our planned programs and projects.

Honorable Speaker

What I have said so far, honorable Members, was to chronicle to you what we do at the National Planning Commission. In order for us to fulfil our mandate, for the fiscal year 2015/2016 we will require an estimated budget of N\$248 million. It is therefore my hope that our budget request is supported by all the honorable Members.

I thank you.