

REMARKS BY TOM ALWEENDO, DIRECTOR GENERAL NPC
NAMIBIAN COMPETITION COMMISSION WORKSHOP
WINDHOEK, 25 SEPTEMBER 2012

I would like to thank the Namibian Competition Commission for having requested me to open this workshop.

There are various definitions of what economic competitiveness is all about. The common definition for competitiveness though is the one that is to do with the ability of a country to sell and supply goods and services in a given market as compared to another country's ability to sell and supply in the same market. Although I define competitiveness between countries, it will be the same definition for companies, where companies compete in the same markets. However, I will limit my remarks to competitiveness as it pertains to countries.

In recent years, the concept of competitiveness has emerged as a new paradigm in economic development. Competitiveness captures the awareness of both the limitations and challenges posed by global competition. It is also now widely recognized that the countries that are prosperous today is because they managed to be competitive. Those are the countries that have high productivity with regard to their human, capital, and natural resources. After all it is productivity that can improve any country's standard of living that is sustainable.

It is no longer about what industries a country has but rather how you compete in those industries. Prosperity can no longer be viewed as a function of inherited natural resources, for example by our mineral resources or fish, but rather as a function of our creativity in creating products and services that are valuable to those whom we intend to sell them to. In this context, therefore, prosperity is no longer inherently constrained as we sometime think, but it becomes only constrained by our resourcefulness.

In its recently published Global Competitiveness Report, the World Economic Forum has ranked Namibia's competitiveness at 92nd position out of 144 countries. In 2010/11 we were ranked 74th and 83rd in 2011/12. The loss of economic competitiveness is more distressing because it now looks as if it has become a trend as opposed to being a single occurrence.

In July this year we launched our fourth national development plan, NDP4. NDP4 has three main goals, namely sustainable high economic growth, employment creation and the reduction of income inequality. One of the binding constraints to sustainable high economic growth and employment creation identified under NDP4 is that of economic competitiveness. It is therefore our aspiration to become the most competitive economy in the SADC region by 2017 by offering the most productive business environment.

Among the issues that we have identified to be addressed are the improvement of the general business environment, cost of doing business, access to finance, R&D and innovation, skills availability, labor market efficiency, public service delivery and the cooperation between the public and private sector. Without successfully addressing these issues our economic competitiveness will continue to deteriorate and our Vision of being an industrialized nation will be under threat to become a nightmare.

I believe that our task to improve our competitiveness is made easy by the fact that we have most of the necessary determinants of competitiveness in place. For example, we have a sound macroeconomic framework; we have a stable political system; we have an established legal and social structure. While not sufficient, these are the necessary building blocks for a competitive economy. What we, however, need to concentrate on now is the improvement of the microeconomic capability of the economy and the sophistication of local competition. To reach the necessary economic sophistication we need a process of successive upgrading of our economic development, and this will require a sustained and corroborative effort from all the stakeholders.

In order to succeed in becoming the most competitive economy in the SADC region, we also need to look at our institutional setup. What is clear is that our competitiveness plans need to have strong and dynamic leadership from both the public and private sectors at all levels. We need to create a compelling vision that appeals to a broad set of actors who are willing to seek the change we need.

Let us also accept that economic competitiveness is one of the most important elements of our economic development and it cannot be left to chance. It cannot happen by itself. While it is true that some of the issues that we need to address are complex, let us be encouraged by knowing that our current challenges are not pre-ordained to us. There is nothing that is natural to us having an uncompetitive economy; there is certainly nothing that suggests that our current levels of unemployment are something we cannot change. These are all challenges that we can overcome, provided that we are prepared to do what it takes to solve them; provided that we are all prepared to be the champions of change we seek.

In addressing our competitive challenges, let us also take an example from those countries that have successfully managed similar challenges that are facing us today; countries that are generating sufficient prosperity for their citizens. Today's competitive and developed countries were not always as competitive and prosperous as they are today. At some point in the not too distant past they too were faced by the same challenges facing us today.

I wish to conclude by saying that we can address our economic competitiveness successfully by being steadfast in our beliefs that it is possible to overcome our current challenges. We, however, need to be courageous to take those decisions that are necessary in order to effectively address our challenges. Without the necessary courage to be radical in our thinking and actions, we run the risk of allowing the problems to become overwhelming.

I wish the workshop a productive deliberations and I look forward to a more competitive economy.