

**REMARKS BY TOM ALWEENDO, DIRECTOR GENERAL, NPC
LOGISTICS & DISTRIBUTION HUB WORKSHOP
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I would like to thank all of you for honoring our invitation to attend this important workshop. The purpose of this workshop is to continue with the consultative approach we have adopted since the inception of this project – the project of developing our economy into an international logistics hub for the SADC region.

You will all recall that one of the desired outcomes as stipulated in NDP4 is to transform the Namibian economy into a regional leader in logistics and distribution. The decision to go the logistics hub route was borne out of our desire to put our economy on a higher and sustainable growth trajectory. It is our considered view that given our geographical location, we are strategically positioned to serve as a trade route to and from the entire Southern Africa region of the African continent. This is a realistic expectation given the projected economic growth in most of the SADC economies in the medium to long term.

While our economy has been growing steadily since independence, we are acutely aware that the current growth is not sufficient to fully address our socio-economic development needs. For example, our current economic growth scenario is not creating enough employment opportunities to a large number of our young people who are joining the labor force on an annual basis. The structure of the economy is such that economic growth is largely from the sectors that are more capital intensive and less labor intensive, such as mining. In such a scenario the growth we have been recording is by and large a function of productivity and commodity prices. This state of affair is untenable and if not addressed with the necessary firmness it has the potential to undo all that we have achieved so far.

The drafting of our fourth NDP was therefore informed by this realization that there is a need for us to re-look our economic development strategies. There is a need for us to promote the creation of other industries and thus to diversify the economy. Given the size of our population and therefore of our economy, we needed to create an opportunity where we can leverage on the economic growth in our neighboring economies. We needed to think of an industry where people with relatively low level skills – the majority of

the unemployed Namibians – can easily be employed. That is why we came up with the idea of a logistics and distribution hub.

Exactly what is a logistics and distribution hub and how does it look like? The concept of a logistics and distribution hub is a system where everything possible is done to 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, your transport and communication infrastructure and the extent to which border administration facilitates the entry and exit of goods.

It is also the case that a logistics hub concept will work only when we are able to attract reputable global companies to be active role players. This is so given the fact that logistics hubs all over world necessarily rely on international trade. In order to attract international role players we need to be competitive in terms of business cost and the quality of our infrastructure – especially transport and communication infrastructure. It therefore implies that we should continue with the promotion of a logistics hub only if we are committed to make the necessary investment in the required infrastructure. It cannot be done if we do not have the necessary infrastructure that is equal to the best internationally. We cannot achieve the desired success if we are not efficient and therefore cost competitive.

In this regard we are fortunate to have a Logistics Master Plan that provides a detailed future image of Namibia as an international logistics and distribution hub. The plan will identify all the key policy measures and strategies that are necessary to achieve our desired outcome.

Given the phenomenal growth in the international trade over the last few decades, we have a realistic chance to transform our economy. (*According to the World Bank world trade as a percentage of GDP was 56% in 2010*). It is projected that if done properly, the logistics industry has the potential to contribute up to 4.6% to our GDP. By way of comparison, the five-year (2009-2013) average contribution of the Agriculture sector to the GDP is 4.4%. However, we need to realize that we are not the only country in the region that is thinking of investing in a logistics and distribution hub. We have competitors and therefore time is not on our side. We cannot afford to

waste time and delay the implementation of the master plan we are about to finalize.

That is why it is so critically important that we come up with a clear implementation strategy. In this respect it is my view that we ought to think of creating an implementation Unit with a clear mandate, authority and resources to implement the master plan. It will also be a good idea 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 desire. We at the National Planning Commission will be working on a proposal how best to implement the logistics Master Plan. The proposal will be shared with all the relevant stakeholders before it is adopted.

Before I conclude my remarks, I would like to express our gratitude to the Japanese government for having assisted us in the drafting of our logistics master plan. Your assistance will go a long way in the transformation of our economy. I would also like to commend the Logistics Steering Committee for driving the process in a consistent and persistent manner. The Committee is chaired by the NPC and the members are the Ministries of Works and Transport, Trade & Industry, and Finance; the Walvis Bay Corridor Group, Trans Namib, Namport, Roads Authority, Namibia Airports Company and Air Namibia. I am hopeful that you will continue to spearhead the implementation of the master plan once adopted.

Let us recall that the idea of the logistics and distribution hub is but one piece of the jigsaw toward the realization of our dream of becoming an industrialized nation by the year 2030. Ours is a dream we cannot afford for it to turn into a nightmare. Someone once had this to say about dreams: *“Be careful what you water your dreams with. Water them with worry and fear and you will produce weeds that choke the life from your dream. Water them with optimism and solutions and you will cultivate success. Always be on the lookout for ways to nurture your dream.”* I therefore call upon all the stakeholders to look out for ways to nurture our dream. Together, let us march forward in unison, fearlessly and daringly in realizing our dream.

I thank you.