

Minister for Economic Planning and Director General of the National Planning Commission, Hon. Tom Alweendo's remarks at the 2nd German-African Business Summit

Let me first thank the organizers of this event for inviting me as a speaker. Ladies and Gentlemen, It is a great pleasure for me to be here today and take part in this important discussion on a topic that is at the core of achieving Africa's sustainable economic development goals. Certainly, economic growth in Africa is very topical at the moment given the current headwinds and uncertainty facing the global economy and its knock-on effects.

For too long Africa has been seen through the eyes of those who do not always have Africa's interest at heart. You may recall that not too long ago Africa was talked about in not so flattering references. If it was not referred to as the Dark Continent, it was labelled as a hopeless continent.

However of late, the narrative seemed to have changed. We now hear of Africa Rising, which is a good thing, and we need to capitalise on those positive sentiments. We have seen a time when Africa and other developing economies have been the important drivers of global economic growth, in light of the floundering global economy. Africa's growth expansion, which was largely driven by soaring commodity prices, was responsible for a large chunk of the strong global growth performance.

Africa's strong economic performance we have witnessed recently, was supported by robust economic and development policies. Central to that was improved political stability across the continent - as well as macroeconomic stability and sound microeconomic reforms – thereby having created a conducive investment climate.

I believe that this is a clear testimony that we as Africans have fully embraced the need to define the African development narrative. We have started to define an Africa where what we do or say is not to please others, but because it is what is good for Africa; and it is what Africa wants.

As testimony that we have started to own the New Africa initiative, we now have home-grown development programmes such as Agenda 2063 and NEPAD.

Agenda 2063 is our response as to what we as Africans need to do in order for us to achieve our dream of the Africa we want. The programme sets out the approach as to how the continent should effectively learn from the lessons of the past, build on the progress now underway and strategically exploit all possible opportunities available in the immediate and medium term.

In the main, this New African development roadmap emphasises the importance of success through the restoration of the passion for pan-Africanism – a sense of unity, self-reliance, integration and solidarity that was a highlight of the triumphs of the 20th century. It represents a re-dedication by all Africans for an integrated, prosperous and peaceful Africa.

On its part, NEPAD is an economic development programme of the AU. Its four primary objectives are:

- To eradicate poverty;
- Promote sustainable growth and development

- Integrate Africa in the world economy; and
- The acceleration of women empowerment.

It is based on the underlying principles of a commitment to democracy, human rights and conflict resolution; and the recognition that maintenance of these standards is fundamental to the creation of an environment conducive to investment and long-term economic growth. NEPAD seeks to attract increased investment, capital inflows – in the process providing an African-owned framework for development as the foundation for partnership at regional and international levels.

It is safe to say that currently many African economies are facing challenging economic headwinds – some more so than others. However, it is also the case that these challenges provide us with the opportunity to deepen our macro- and microeconomic reforms. We will continue to implement carefully considered but strong policy interventions that support inclusive and sustainable growth.

It is now commonly agreed that Africa's long-term economic development can be assured only through economic transformation that is supported by industrialisation. It is also agreed that the best way to industrialise is to start adding value to natural resources that exist in large quantities on the African continent. We need to discourage the export of the continent's natural resources in raw form. However, for this to happen, for this to materialise, we need to the cooperation of the private sector. The private sector investors - both local and foreign, need to be concerned with the long-term sustainability of the African economies and willingly invest in value addition industries.

It is also the case that in order for the continent to industrialise, we need to invest in heavily in infrastructure such as energy, water, transport and logistics. These are key ingredients without which no meaningful industrialisation can take place. Here it is commendable that institutions such as the African Development Bank, have strategies to invest in the needed infrastructure on the continent. We hope that in the future we will see more private sector investment in infrastructure on the continent.

I am also of the view that for Africa's industrialisation to succeed, we need to re-look at how the current international trading system is arranged. As of 2016, Africa's share of global trade was only 2.4% (1.7% for Sub-Saharan Africa). It is our view that the current trading system needs to be improved in order to promote fairness in international trading.

Under the WTO, the system consist of various agreements that regulate things such as tariffs, subsidies, import quotas and export subsidies. All members are required to sign up to these agreements.

This is problematic in various ways. For example, when it comes to tariffs, developed countries tend to disproportionately protect products that developing countries export, such as textile. Therefore, in practice this means that when exporting textiles to rich countries, poor countries end up paying higher tariffs than other rich countries exporting to the same countries. We

therefore will continue to request our developed trading partners to show some willingness to re-look at how best to level the playing field when it comes to international trade.

Another area that is critical for Africa's economic transformation is that of funding. Without funding the transformation of the economy will be elusive. We therefore need to continue to attract foreign direct investment into the continent.

Equally important, if not more important, is the need for us to pay special attention to domestic financial resources. An increasing share of our development needs from domestic sources would give us much needed flexibility in the formulation and implementation of policies.

In this respect, we need to be concerned about the illicit flow of funds from the continent. According to the High Level Panel on illicit financial flow from Africa, Africa is estimated to be losing more than \$50 billion annually. This is a substantial amount of resources that could have been used to build the infrastructure we so badly need. We will need the assistance of our development partners to put a stop to this phenomenon.

Namibia will continue to do its part in fostering the continental economic transformation. Over the last five years, our average economic growth was more than 5%. Now classified as an upper-middle income economy, our focus now is to continue in investing in the needed infrastructure – both soft and hard – such as energy, water, transport, ICT and skills. Our long-term strategy is to become a logistics and distribution hub for the SADC region and the continent at large. We look forward to partner with all investors to fulfil our development agenda.

Goal 17 of the Agenda 2030 that was adopted last year by the UN, talks about strengthening of the means of implementation and the revitalisation of the global partnership for development – that brings together Governments, civil society, the private sector and other actors, to mobilise all available resources.

We look forward to an effective partnership with the German private sector to transform the African economy. We invite Germany to walk with us on this important journey.

Thank you.