

**REMARKS BY TOM ALWEENDO AT THE OPENING OF THE WINDHOEK
INDUSTRIAL & AGRICULTURAL SHOW**

30TH SEPTEMBER 2010, WINDHOEK

Directors of Ceremonies

Ladies and Gentlemen,

I would like to thank the organizers of the Windhoek Industrial and Agricultural Show for inviting me to make some remarks regarding the present economic and social situation in the country and the challenges we all need to embrace to achieve V2030.

A Vision, Ladies and Gentlemen, is an idea, a mental picture, a dream and even an image that people create in their minds to achieve what they desire. Every individual, institution and country needs such roadmaps to guide their actions, plans and ambitions. Namibia is no exception to this rule and as a nation we have come up with our own idea, a mental picture, or image to craft what we is known today as V2030.

A national vision is a view or opinion of the future which reveals and points to something new, beyond what is already available and accessible. The goal of our vision is to improve the quality of life of the people of Namibia to the level of their counterparts in the developed world by the year 2030. Since we cannot rely on accidents to get where we need to be, we have an outline that clearly defines where we are, where we want to be by the year 2030 and how to get there.

This vision aims to take Namibia from the present to the future and requires us to take bold steps to improve the quality of life of our people. I would therefore like to encourage everybody to familiarize themselves with these noble goals and embrace them for the sake of our socio–economic development.

Before one creates a developmental vision though, it is important to pause for a minute and critically analyze where we currently find ourselves from a developmental perspective. As the old saying goes, 'if you do not know where you come from you shall not know where you are going', and this is true for planning as well.

There is no doubt that we have achieved a lot since gaining independence twenty years ago. According to Vision 2030 we want to be a prosperous and industrialized nation where we enjoy peace, harmony and political stability. We indeed have succeeded in maintaining peace, harmony and political stability in the country.

Vision 2030 also requires us to have macroeconomic stability which we have also managed to achieve ever since independence. Our GDP growth over the past twenty years averaged around 4% and inflation has been low and stable. Our fiscal policy has been prudent and sustainable. Today we are one of the few countries in Sub-Saharan Africa that have an investment credit rating. In respect of social issues we have equally achieved a number of milestones that we ought to be proud of. For example, most of our children have the opportunity to attend schools, to be treated at health facilities and safe drinking water has become a reality for the majority of our population.

Our vision is also for us to become an upper-middle income country. This means that we should have a per capita income of at least U\$17 000 and an unemployment rate of below 5%. However, the current figure for per capita income is U\$4 200 and that of unemployment is above 50%. These are not encouraging figures. Although we have achieved a lot in the past twenty years, it is unfortunately not enough to achieve V2030. The risk is that if we do not address these challenges as a matter of urgency, the gains we have achieved thus far might be eroded.

The sad thing is that our unemployment affects mostly the youth, our political and business leaders of tomorrow. A prolonged youth unemployment has far reaching consequences. Besides resulting into too many shattered dreams, it can also lead to social and political instability and erode the harmony and stability which we have been enjoying since independence.

The Government relies on business to invest and grow the economy that is able to generate taxes that the Government needs. Business in turn depends on the Government to create the regulatory environment that is conducive to doing business. We therefore need to work together because Government shapes the rules of the economic game and business activity takes place within it. It is only through this partnership that the much needed trust can be created so that the different interests of Government and the private sector can be taken into consideration.

What is clear is that we need to start doing a couple of things differently. First and foremost, we must make deliberate efforts that are supported by all role players, including government, private enterprises, organized labor and civil society. It should be clear to all of us that Government alone cannot solve the unemployment problem. When the question is asked whether we are likely to achieve V2030, the usual assumption is that the Government is either failing or has failed all together.

Yes, the Government has certain responsibilities and obligations to fulfill; but so does the business sector. The Government relies on businesses to invest and grow the economy that is able to generate taxes that the Government needs to fund its budget. Businesses in turn depend on the Government to create the regulatory environment that is conducive to doing business. Let us therefore start to view the achievement of V2030 as our collective responsibility and not that of the Government alone. Out of necessity we will have to walk this difficult path together as partners to create the needed jobs for all our citizens; as partners who have everything to lose in equal measure if we do not succeed.

Private sector businesses should recognize that while profit is their overall motive when investing, they also have an obligation to ensure that we build a society based on equal opportunity and the fair sharing of economic benefits. This will require that businesses consider investing in ventures that might not have the potential for the highest return on investment but have the potential to unlock faster economic growth and human development.

Second, we need to recognize that the balanced approach to economic development that we have followed so far is not yielding the results we need. This is understandable due to the huge deficits that our Government inherited in all social and economic areas. However, 20 years after independence we must ask the question if this approach is still delivering the results we are looking for. We are likely to have better results if we increase our focus on a few areas with higher potential to generate faster economic growth and more job opportunities. Our research shows that the areas with the highest employment creation and growth potential include agriculture, tourism and transports & logistics.

We also need to start addressing some of the identified binding constraints to faster economic growth such as lack of skills, perceived labor inflexibility, and the costs of doing business. With regard to skills development, our education needs to become innovative. Without innovation in how we develop skills, it will be impossible to have a competitive economy. I would also like to encourage the private sector to be more involved in finding a solution to skills development. After all, the private sector has a lot to gain from a trained and productive workforce.

In conclusion, I am convinced that together and in true partnership we can overcome our development challenges and achieve V2030. Once again I would like to thank the organizers of the Show for inviting me to speak and I wish you as successful event.

I thank you