

EAN Annual Conference 2021

Theme: Leveraging the Services Industry for Economic Growth

SPEECH: JASON KASUTO

Director of ceremonies

Board members of the Economic Association of Namibia and the CEO, Cons Karamata

Dr Clemens Von Doderer of Hans Seidel Foundation

Esteemed guest speakers on today's programme

Members of the media

And each one of you in the audience today, who has come to participate in this conference

Good morning, ladies and gentlemen

What grabbed my attention in the concept note for the EAN Annual Conference as pointedly put forth by the steering committee team is *“Namibian policymakers need to place greater emphasis on moving towards the provision of more sophisticated services where there is greater value addition and which offer opportunities for technology transfer and linkage development with other sectors of the economy”...[and] .. In addition “Namibia will need to shift away from relying on subsistence and non-*

tradable services to services which generate greater value addition and growth". This creates quite the frame for this conference.

The earlier speaker Dr. Kamati, agreeably pointed out that a robust service industry is an indicator of a developed economy characterised by formality. Question that comes mind is that Namibia has a large share of its labour force in the informal sector, therefore how can we graduate the informal to the formal through the service sector in order to address the structural issues of inequality and unemployment?

Ladies and Gentlemen, what makes this gathering of the minds a necessary one, is to harness our varied ideas into a set of plausible of tangible recommendations that can drive growth through Namibia's positioning or even re-positioning within the services sector. The submission of these recommendations to policy makers who are tasked with creating this enabling environment will be the EAN's central mission through our various platforms of engagement with policy makers. In this regard we are pleased that the EAN has been recognized as a key stakeholder in providing input (both positive as well as with constructive critique) to policy makers from the formulation of the national budget and various other key policy instruments. My emphasis here is that what emanates from today's deliberations we as the EAN will drive towards its intended purpose, this is not a talk shop, ladies and gentlemen.

The vivid facts are (and I'll just touch on a few):

- The logistics sector in Namibia grew on average at 14.5% between 2007 and 2017 According to the National Accounts (NSA, 2017)
- Namibia's logistics performance index overall score of 2.73 (aggregated 2012-2018) makes it part of the top 50% internationally.
- The Port of Walvis Bay has become the preferred African West coast port and logistics corridor for southern and central African logistics operations.
- When the logistics sector has adequate infrastructure at its disposal, it enables manufacturers and small- and medium-enterprises to get their products to market. This subsequently increases productivity and cuts costs, as well as broadens their potential client base. This applies not only because of logistics sub-sector but also through technology.
- A well-functioning services sector is also important for other key sectors and sub-sectors in Namibia's economy; namely mining, manufacturing, agriculture, tourism etc. Given these factors, the service sector through logistics and tech sub sector plays a crucial role in economic transformation through the facilitation of economic growth and deepening regional integration by means of continental and international trade. i.e. to what extent will we as a

country be at the beneficial end of the Africa Continental Free Trade Agreement

I have not even touched on the immense potential in the financial and tourism sector. In terms of the latter a significant industry player in the Namibian tourism sector said to me recently that despite the shocking impacts of COVID-19 on the sector. Given the reality that the virus may co-exist with us for years to come, should Namibia manage rates of infections relatively well, our sparsely populated open spaces provide a golden opportunity to attract more international and regional tourists to Namibia than ever seen before over the next coming years.

In closing, when arriving at the theme “Leveraging the Services Industry for Economic Growth”, as the EAC we do not limit economic growth to GDP numbers but to a growth that spurs economic development and in that regard is both inclusive and sustainable. What that means is not to have a limited focus on how we should optimize what we currently have in order to increase efficiencies and value addition. It's more about how do we grow the cake in the services sector and in so doing transform the structure of this economy.

With that I thank you all for being here and wish you concrete and fruitful deliberations today.

Thank you!

