

Any New Year's resolutions? - Klaus Schade

Another challenging year is coming to an end. However, not all is doom and gloom. The year has provided many example that with some more efforts it is possible to exploit existing opportunities.

Private sector companies have demonstrated that it is possible to increase local procurement and extend value chains through efforts to identify Namibian suppliers. The sourcing of company uniforms, plastic packaging material or cement bags locally are just a few cases in point. While the new public procurement act provides for preferential local procurement by the public sector, the private sector should follow with concerted efforts to identify products that could be produced locally and producers that have the capacity to supply the inputs.

Foreign Direct Investment into asparagus farming and – as joint venture with government agencies - into a car assembling plant are just two examples that indicate that it is possible to attract FDI into other areas than natural resource extraction. Other investment opportunities should be explored such as the assembly or production of solar panels and solar water heaters not only for Namibia, but for the region, or the shift to electric vehicles. While the private sector should be the driving force, it needs the active involvement of Government to design the policy framework to support the move towards new technologies such as e-vehicles. Furthermore, as the investor conference some two years ago has illustrated, Government agencies, such as ministries and diplomatic missions, play a crucial role in following up with potential investors on a regular basis in order for intentions to turn into action. Again, we need to go the extra mile to exploit the opportunities.

Another area that offers room for improvement is the timely submission of reliable data. Production data is often only available several months after the reporting period although they are, especially with larger companies, part of monthly and quarterly internal reports. The reliability of other data varies, because the response rate varies greatly. Furthermore, the frequency of some statistics, such as labour market statistics, needs to be increased. GDP growth rates provide an insufficient measure of what is happening on the labour market. The impact of a contraction or expansion of an economic sector on the labour market depends on the sector's backward and forward linkages to other industries and whether it is a labour or rather capital-intensive industry. Frequent, timely and accurate data will not only improve economic analysis and forecasts, but also enhance evidence-based decision making in the private and public sectors.

There are many more areas where additional efforts will make a difference to the development of the country despite prevailing global headwinds. Let's include these additional efforts in our New Year's resolutions.

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