

## Going the extra mile - Klaus Schade

The prevailing global economic climate is not in our favour – rising interest rates in the USA turn financial investor sentiments against emerging markets, trade wars disrupt global trade, Brexit adds further to economic policy uncertainties that all weigh on investor sentiments and their run for safe havens. Namibia can therefore not rely on or hope for an external stimulus for the domestic economy. Despite limited fiscal space there are opportunities to grow Namibian businesses and stimulate the domestic economy. A few cases should suffice where going the extra mile will bear positive results for Namibia:

The Ministry of Finance put the brakes on the awards of two multi-billion dollar tenders since the specifications disadvantaged Namibian companies. This is certainly not the only case, where tender specifications are used to favour specific companies. In other cases, specifications are deliberately kept vague in order to demand additional funds after the tender was awarded. A thorough review of specifications in public procurement, which would often require experts due to their technical nature, will ensure a more levelled playing field and hence potentially more business for domestic producers as well as the closing of loopholes for additional financial demands after the tender was awarded.

Taking pro-active steps in embracing new technologies will attract investment and result in other positive impacts. A case in point is the introduction of electric vehicles. The respective ministry should convene a meeting with all stakeholders in order to establish what needs to be done by whom and when in order to create the enabling environment for the shift from combustion engines to cleaner battery-driven vehicles – rather than waiting until the private sector approaches. Besides reducing the carbon foot print, such an initiative will attract additional investment in renewable energy sources and curb the outflow of scarce foreign exchange reserves currently spend on the importation of fuel. Moreover, Namibia could become an attractive destination for e-vehicle manufacturers.

Private sector companies have started sourcing inputs, including clothing, locally that creates benefits beyond the company producing the goods. Increasing fuel and hence transportation costs will be a blessing in disguise, if it results in more companies sourcing inputs locally in order to cut transportation costs. Other private sector companies including the wholesale and retail trade sector that has not yet fulfilled the expectations raised by the launch of the retail charter, could do more to grow and nurture domestic suppliers. Eventually they will benefit from increasing demand for their own goods and service owing to additional domestic purchasing power.

These additional efforts, including on the side of consumers, to support local production could mitigate the external headwinds.

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