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What lies ahead of us? - Klaus Schade

The New Year is not so new anymore; more than a month has passed already. The global challenges of 2018 have not vanished with the end of last year, but continue not only to dominate international headlines, but to negatively impact on global economic prospects. Neither is there an end in sight in the trade dispute between the USA and China (the two largest economies) nor is there any agreement in place for Brexit – and the deadlines for resolving both issues are approaching fast. New challenges have emerged recently, such as the deepening crisis in Venezuela – the country with the largest proven oil reserves - that has at least regional repercussions. At home, the lack of rain so far this year and the forecast for the rainy season do not bode well for the agricultural sectors.

Namibia will not be spared the economic impacts of the global events that have already affected industries such as the grape producers. Although the economy is showing signs of improvement mainly because after two years of economic contraction the economy is recovering from a low base, we are not yet out of the woods. While we have little influence on the global challenges and the weather, there are domestic issues that need to be addressed this year in order to lay the foundation for sustainable and robust economic growth in the years to come that will lead to the much needed improvement in the standard of living for the majority of the people.

Policy uncertainties dragging on for years have to be removed, overdue reforms to improve the business climate have to be implemented and corruption to be curbed in order to attract much needed private sector investment that will create sustainable jobs, generate tax revenue and earn foreign exchange and or reduce the import bill.

The high wage bill needs to be addressed in a systematic and structured way and the number of Public Enterprises consolidated in order to reduce the drag on Government's finances. It seems, however, based on recent growth projections for 2019 that public employment is on the increase rather than decrease again even in non-priority sectors. A clear prioritisation of education, health, internal security and investment into economic infrastructure will require cutting budgets for non-priority public entities.

Close consultations and cooperation between the private and the public sectors will not only ensure that both move in the same direction, but that they complement activities where possible. Despite global headwinds, it is in our own hands to remove existing bottlenecks that prevent faster economic and social developments and to grasp the many opportunities that exist in our country.

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