

Press Release: "Namibia: Power Insecurity Threatens Local Economy"



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THE declining power supply capacity within the Southern African Power Pool has exposed the country to a great degree of insecurity which threatens Namibia's economic growth outlook and negatively impacts the government's industrialisation ambitions.

According to local economist Suta Kavari, Namibia faces enormous challenges when it comes to the country's energy sector.

He said underinvestment in energy generation capacity is the cause of the big power shortages that are currently facing southern Africa.

Kavari told The Namibian that knowing that Namibia is not alone in this is cold comfort for the country.

"While our neighbours have been hit with rolling power outages which have negatively impacted growth, Namibia has managed to, thus far, avoid the same fate," he said.

"But as the regional power shortages start to bite and the country's power purchase agreements approach their expiry, the likelihood of rolling blackouts in Namibia is starting to look a distinct possibility," Kavari added.

The National Development Plans (NDPs) serve as five-year primary implementation vehicles for achieving the Vision 2030 objectives, one of which is to transform Namibia into an industrialised nation.

The Growth at Home strategy highlights the importance of a commodity-based industrialisation programme.

Kavari also said the fight against poverty will be won if government's industrialisation policies lead to sustainable job creation.

"To achieve these goals the country needs sustainable electricity generation capacity to grow and deliver reliable power. Failure to achieve this means the goals will be unattainable. As things

stand we do not have this capacity - making many of the goals unattainable," Kavari said adding that Namibia imports more power than it generates.

"We see this in South Africa where electricity constraints have adversely affected the manufacturing and mining sectors, shaving off close to one percentage point from economic growth," he said.

The Economic Association of Namibia (EAN), in cooperation with The Namibian newspaper and the Hanns Seidel Foundation (HSF) Namibia, will host a one-day energy conference at Safari Court in Windhoek on 4 November.

All stakeholders are encouraged to participate and be part of the dialogue series. -
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