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REPUBLIC OF NAMIBIA
OFFICE OF THE PRIME MINISTER

KEYNOTE STATEMENT

BY

**RIGHT HONOURABLE DR. SAARA KUUGONGELWA-
AMADHILA**
PRIME MINISTER OF THE REPUBLIC OF NAMIBIA

AT THE

**OCCASION OF THE INAUGURAL AFRICAN
ECONOMIC PLATFORM**

MAURITIUS

20-22 MARCH 2017

- Director of Proceedings
- Right Honourable Pravind Kumar Jugnauth, Prime Minister and Minister of Home Affairs, External Communications and National Development Unit, Minister of Finance and Economic Development
- His Excellency Moussa Faki Mahamat, Chairperson of African Union Commission
- Your Excellencies Heads of State and Government
- Right Honourable Prime Ministers
- Honourable Ministers
- Distinguished Delegates
- Ladies and Gentlemen

It gives me pleasure to represent the Head of State and Government of the Republic of Namibia at this inaugural launch of the African Economic Platform. Let me also join fellow delegates to express our sincere appreciation to the Government of Mauritius for hosting this important event. The pristine beauty of the setting at our venue is creating a conducive atmosphere to inspire us to devise innovative ways and means to increase Africa's prosperity.

I would like to make an intervention during Plenary Panel 2 dealing with the Continental Free Trade Areas aimed at expanding opportunities for intra African trade, business and investments. I also take this opportunity to illustrate to this eminent gathering what Namibia is doing to create a logistics hub of the southern African region aimed at deepening intra-regional trade

and allowing us and neighbouring countries to become part of regional and global supply chains.

Namibia shares borders with Angola, Botswana, South Africa, and Zambia and has good ports and trunk roads to link them with the rest of the world. This gives us a huge potential to be an international logistics hub for the inland areas of Southern African Development Community (SADC). This, coupled with a high level of public safety, well developed financial and ICT sectors that ease payments and relatively short periods for customs clearance have, among others, informed our decision to prioritise the further expansion of our logistics industry. Hence, we place strong emphasis on infrastructure development that focuses on the expansion of the Walvis Bay port and Namibia's airports, the rehabilitation of the railway network, and the maintenance of the road infrastructure, which will support the development of a logistics hub.

We envisage Namibia as an international logistics and distribution centre for southern Africa and beyond. We refer to this as our logistics hub. Given the limits of our small domestic economy, we should rather tap on economic growth in neighbouring countries and bring about multiplier effects to Namibia. We also believe that the hub has the potential to enhance the competitiveness of Namibia over a relatively short period of time even in spite of the fact that the population density is low and labour cost is relatively high. The logistics hub should offer employment opportunities to the low-income group, mainly because of the expansion of labour intensive activities.

International logistics is now being watched with keen interest internationally as a new industry. Namibia has a high potential, because there are speedy and safe logistics routes that connect the world with the southern African region, especially landlocked countries. In particular, there have been some recent events to further enhance the potential of Namibia, including the following:

Firstly, the Walvis Bay Port is being expanded from 350,000 twenty-foot equivalent units (or TEUs) to 1,050,000 TEUs per and expectations about this are quite high among major shipping lines. Once this has been done, Walvis Bay can become the foremost port of call for large container ships on the west coast of Africa, which makes it possible for Namibia to be one of the major international logistics hubs in the region.

Through this project, which potentially serves up to seven major economies in the SADC region, we are diversifying and distributing port facilities on the southwest coast of Africa, and providing the much-needed alternative for the region's landlocked countries. In our view, the project will stimulate the development and upgrade of multimodal transport corridors linking the port to the hinterland while improving the country's transport and logistics chains. It will also boost competition among the ports and transport corridors in the region with the ripple effect on reductions in transportation costs and increased economic growth. We expect that this project will improve the port efficiency and increase in cargo volumes by 70% in 2020 as a result of increased trade in the region. The benefits of the project will include among others, the stimulation of inter-regional trade and regional integration, private sector development, skills transfer and most importantly employment

creation, leading to significant economic development and poverty reduction in Namibia, and the SADC region.

Secondly, as part of the logistics hub undertaking, Namibia serves a number of regional transport corridors from the port of Walvis Bay that have the potential to provide the shortest possible route for SADC to markets in Europe and the Americas and become a logistics hub as a result of the country's geographical location. The Walvis Bay Corridors are a network of transport corridors linking Namibia with southern African countries, which include the following:

- The Trans-Caprivi Corridor (Walvis Bay-Ndola-Lubumbashi Development Corridor): This route can be accessed by road and rail, and is mainly used to transport exports and imports for Zambia, Zimbabwe, the Democratic Republic of Congo and Malawi.
- The Trans-Kalahari Corridor is accessible via road and rail and is mainly used by Botswana and the northern provinces of South Africa, specifically Gauteng.
- The Trans-Cunene Corridor connects southern Angola through Tsumeb, largely for the transportation of goods and construction materials imported for the redevelopment of southern Angola.
- The Trans-Oranje Corridor (previously known as the Southern Extension) is a tarred road linking the Ports of Walvis Bay and Lüderitz with the Northern Cape Province of South Africa. The Corridor is complemented by a railway line from the Port of Lüderitz extending southwards to the Northern Cape Province.

Thirdly, resources are earmarked to improve all modes of transport to sustain the growth in the utilisation of the Walvis Bay Corridors and for Namibia to achieve its ambition of becoming a regional hub. Apart from the Walvis Bay port expansion, these include, first, the upgrading and replacing the rail infrastructure to improve the level of service in terms of speed, frequency, and axle load reliability; second, addressing the problem of ageing and insufficient rolling stock; and, third, upgrading and rehabilitating the road network to ensure an efficient flow of goods to neighbouring countries.

Fourthly, in addition to the facilitation of flows of trade and trans-shipments via Namibia, one of the great opportunities for the country is to be positioned as a logistical hub to take advantage of rapid economic growth in a number of SADC countries. The availability of a good international logistics network in Namibia (offering services ranging from transport and storage solutions to customized integrated supply chain management services) is likely to create employment opportunities for Namibians.

Director of Proceedings,

Ladies and Gentlemen,

I am relating to you these exciting developments, obviously to market Namibia as an investment destination of choice, but more so to illustrate our commitment towards the Action Plan for boosting intra-African trade and the roadmap for the establishment of the Continental Free Trade Area (CFTA).

I thank you.