



NCCI

NAMIBIA CHAMBER OF COMMERCE AND INDUSTRY

ChamberNews

The Premier Voice of Business Namibia

Vol: 1

Issue: 11

November-December: 2011

www.ncci.org.na

Finnish/Namibia Business Internationalisation

The Namibia Chamber of Commerce and Industry and Finnish Embassy intend to promote Namibian and Finnish companies' interaction in an effort to enhance the two countries' economies and promote south – north cooperation. The project would have two components – 1. Building the capacity of Namibian private sector and expose them to do international business and, 2. Enhancing the capacity of small and medium enterprises to respond to the development challenges and enter into the mainstream of the economy. The formal agreement was signed in end on November 2011.



Finnish Chargé d'Affaires to Namibia, Anne Saloranta with NCCI's CEO, Mr. Tarah Shaanika signing an agreement in Windhoek.

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Our National Corporate Members

Air Namibia; Bidvest Namibia; Puma Energy; Castle Brewing Namibia; FNB Namibia; GIPF; J & P Group; LLD Diamonds Namibia; Mobile Telecommunications; Namibia Breweries Limited; Namdeb Diamond Corporation; NAAHI; Namport; Nampower; Namwater; Nedbank Namibia; Ohlthaver & List; Pupkewitz; Old Mutual Namibia; Roads Contractor Company; Sanlam Namibia; Shell Namibia; Standard Bank Namibia; Telecom Namibia; Total Namibia; TransNamib Holding; Trustco Group Holding; Venus Group

Competition Issues

The Namibia Competition Commission has commissioned a study to explore the link between Consumer Protection and Competition Policy from a Competition perspective. The paper also takes into account other non-competition related aspects of Consumer Protection such as those related to the Namibia Standards Institute (NSI), Ministry of Trade and Industry (MTI) and other relevant stakeholder and proposes approaches to institutionalizing issues of Consumer Protection. The absence of Consumer Protection legislation means that consumers are exposed to unfair trade practices by businesses and have no form of recourse. The study seeks to serve as input for Namibia's Consumer Protection Policy commissioned by the MTI.

Generally, competition policy and consumer protection share one common overarching goal of enhancing consumer welfare. In many jurisdictions, competition and consumer protection are housed within the same institution which effectively deals with both. The need to develop this paper was motivated by the lack of any studies or reference material on Consumer Protection from a Competition Policy point of view especially in Namibia. Competition policy promotes efficient allocation and utilisation of resources, which are usually scarce in developing countries. This leads to increased output, lower prices increased quality and standards. Increased output is likely to lead to more employment in the economy as producers will need to employ more people to cater for increases in production.

Consumers are an important part of any economy. Household consumption in Namibia accounts for a significant portion of the country's Gross Domestic Product (GDP). This highlights the importance of the consumers to the economy and hence their need to be protected. It is important that consumers are capable of making informed choices and have confidence in the products or services

provided to them. The Namibian economy is characterised with unfair trade practices and very little if any recourse for consumers who have been wronged. This leads to exploitation of consumers who are left without choice. This does not augur well for the work of the Commission in terms of its purpose to promote consumer choice and competitive pricing. This and the inherent exploitative practices such as the "voetstoots" clause create the need for Namibia to have its own consumer protection legislation.

The study finds that based on factual evidence; there is indeed a link between Competition Policy and Consumer Protection. For the Commission, the link pertains to the protection of consumers in terms of product choice and competitive pricing. Competition Policy plays a significant role in terms of promoting consumer welfare. The study proposes that in view of institutional developments, Commission be accorded the function in terms of consumer right (competitive price and product choice). The study recommends therefore a Consumer Protection Unit of the Commission of which such functions of the unit are to be determined taking into account regional and international institutional structures of competition authorities. The further recommends for an amendment to the existing legislation of the Competition Act to cater for consumer protection provisions and extend coverage to contract terms and misleading representation.

The study also recommends that the functions of disclaimers and price display be entrusted with the Ministry of Trade and Industry as they are best suited to deal with these issues while as issues of product safety, standards and labelling are left with the NSI. Finally, it recommends that a workshop be conducted on Consumer Protection and Competition Policy and Law. The workshop would compose of institutions involved in consumer protection as well as other stakeholders and interested parties and would provide a platform for further interrogation and discussion into the Consumer Protection issue so as to provide input for the national consumer policy legal framework. The study would serve as a discussion document for the workshop.

Training for SMEs continues

Twenty five (25) small and medium enterprises from various business backgrounds around the Karas Region participated in a training session in Keetmanshoop last month, specifically focusing on Tax and VAT related aspects. The two day course was beneficial to the NCCI members in the Karas region, having boosted their understanding on how to deal with the calculations of submissions and claims to the Ministry of Finance, as well as dealing with their own finances better. The participants indicated their interest to receive further training in other disciplines such as marketing, costing, strategic planning, etc. The training was offered in collaboration with Nampro Fund and GIZ

Zim Mission in Namibia

The Zimbabwean business delegation which visited Namibia early last month is already bearing positive result. Some of the 15 business executives who travelled to Windhoek, Swakopmund and Walvisbay have already finalised deals and started to export Namibian fish and salt among others. The team has also sealed deals with logistics companies. The delegation was accompanied by the Deputy Minister of Industries in that country. Among the sponsors of the weeklong visit were Omankete Investments, Namsov – a subsidiary of Bidvest, Namport, Afrodite Properties, Air Namibia and the Ministry of Trade and Industry. Namibian is planning a reciprocal visit to visit Zimbabwe in March 2012.

NCCI's highest decision making body meets

The National Council Meeting of the NCCI took place last month to approve activities and budget for 2012. This was one of the less hectic meetings in that there were no elections this year, and no major policy changes. In her report, the NCCI president Martha Namundjembo Tilahun highlighted progress on the 2011/2012 activities for 2010/2011. The Governor of the Erongo region – Hon. Kleophas Mutjavikua, also graced the event - stressing the need for Private Sector to increased production that will make room for exports of surpluses. He cited the need to have consideration for local companies when granting tenders, so to ensure capital is injected within the local economy, further adding that 2012 should be a year of less talk and more actions. The 2012 activities and budget plan were approved.

Draft Namibia Investment Act

The fourth draft of the Namibia Investment Act is out for public review. Namibia is seeking to become an industrialized and knowledge based economy by 2030 and beyond through the increase of sustainable and environmentally friendly domestic and foreign direct investments, capital flows, modern technologies, innovation, and management skills into the national economy, as important means for creating wealth and employment, as well as ensuring the sustainable utilization of local resources.

The principal purpose of the Act is to promote sustainable industrial and economic growth and development in Namibia in accordance with the development objectives of Namibia through, inter alia, protecting, facilitating, stimulating private investments made by Namibians and foreign nationals in accordance with the Constitution, laws and regulations of the Republic of Namibia; promoting the sustainable use of natural resources; and improving the social and development benefits of increased investment flows. The Act also aims to promote Namibia's full integration into the regional and world economies.

The following economic or business activities or sectors are exclusively reserved for the State or for joint ventures between the State and any investor that the State may choose:

- (a) Uranium enrichment;
- (b) Production or manufacturing of arms and ammunition;
- (c) Printing and minting of currency;
- (d) Rail, and airline transport; and
- (e) Bulk water supply and distribution.

The following economic or business activities or sectors are exclusively reserved for Namibians:

- (a) Small scale retail trade of goods and services
- (b) Artisanal mining;
- (c) Gambling, excluding casinos at hospitality establishments when licensed by the relevant authorities
- (d) Disco clubs and public entertainment establishments
- (e) Private security agencies;
- (f) Hair and beauty salons (including any type of manufacturing and trading in synthetic and human hair products);

- (g) All types of cleaning and laundry services;
- (h) Public passenger and freight transport within the borders of Namibia, excluding in transit or temporary conveyance of tourists or goods into or through Namibia
- (i) Catering services
- (j) Micro business activities (e.g vending, kapana, shebeens, cash loans)
- (k) Estate Agencies
- (l) Insurance brokerage
- (m) Fuel pump service stations
- (n) Freight forwarding services
- (o) Civil construction projects valued at less than N\$10 million (This will increase the construction costs for Namibians, so it may be best to put the entire construction sector under Joint Ventures). Foreign investors shall not engage or be permitted to engage in economic or business activities or sectors referred to in clause 12 directly or through trusts, contracts, partnerships or by-law agreements, or other mechanisms granting any control in participation.

A full version of the draft act is available on request.

Customs Business Forum

The Ministry of Finance, Directorate Customs and Excise in partnership with Private Sectors Representatives had a workshop in Windhoek last month which resulted in the establishment of a Customs Business Forum. The Forum will provide a platform for mutual exchange of views between Customs and various Private Partners representing the operators with whom they interact on a daily basis.

The Namibian Customs envisions that the Forum will provide a platform to all our stakeholders to mutually share and exchange views on the challenges they encounter while dealing with Customs as well as to look at ways and means how we can collectively address these challenges on a continuous basis. In order to be in compliance with modern customs rules and regulations and to be able to meet the needs of businesses, such a Forum was long overdue.

The workshop discussed among others topics such as Progress in Regional integration and challenges/opportunities to trade; Facilitating Trade – Issues and necessary Actions; Sensitising and awareness; Role of Customs and Role of Stakeholders.

Affirmative Action in the Context of Affirmative Action of BEE

The topic of BEE is again topping the list of current issues, thus the NCCI made a presentation in recent weeks, to shed lights on issues related to Affirmative Action in Namibia.

BACKGROUND ON AFFIRMATIVE ACTION

- Apartheid policies pursued by colonial Administration resulted in huge inequalities in employment in Namibia Blacks were generally uneducated, unemployable in management and senior positions in public and private sectors
- Education system was also producing two different types of products (well-done and medium cooked) Enacted into law in 1998 (Act No. 29 of 1998)
- Law requires appointment of previously disadvantaged Namibians in management positions in relevant employers
- Progressive achievement of employment equity was envisioned in the act
- Employment Equity Commission established to monitor compliance EEC reported a stagnation in movement of previously racially disadvantaged persons in Executive Directors positions during 2010.
- 58% of Executive Directors' positions were occupied by previously racially advantaged Namibians as at 31 December 2010 compared to 42% for blacks. Women accounted for only 18% of Executive Directors and 27% of Senior Management positions
- In 2001, 68% of Executive Directors were previously advantaged
- Indication of progress over the last 13 yrs but current level of black representation is still very low, we could have done better

CHALLENGES FACING AA

- Weak education system failed to produce a critical mass of trained black professionals and artisans to make an impact in the management structures
- Shortage of skilled professionals and artisans also increased poaching which made it difficult for some companies to reach AA targets
- There is also clear lack of willingness by some companies to employ previously racially disadvantaged Namibians
- Implementation plan should have

included targets in terms of skills development and appointment of previously racially disadvantaged persons in senior management positions PERSPECTIVES ON BEE

- BEE initiatives made in vacuum over last 22 yrs, no policy/legislation
- Current policy framework being debated in Parliament, an attempt to provide policy direction with regard to BEE
- NCCI is supportive of NEEEF in principle
- Empowerment is misunderstood to be primarily on ownership of traditionally white businesses. ownership should not be seen as THE most important pillar
- Our primary wish is that the policy grows the middleclass, createmoreblackentrepreneurship through procurement/ mentorship, and elevate a critical mass of blacks into management positions NCCI agrees with the 5 NEEF pillars (ownership, management control, human resources development, entrepreneurship development, community investment)
- What we have reservations on is the depth of these pillars in terms of making meaningful economic transformation
- We also have issues with the definition which seems to be technically excluding "born-frees"
- We have interest in seeing the cake grown rapidly in size with more blacks sharing it

AFFIRMATIVE ACTION PILLARS IN BEE

- Two pillars are directly dealing with AA (Management control / Employment Equity and HR and Skills Development)
- The two pillars are closely interlinked
- Most well-performing economies are not dependent on exploitation of natural resources but on well-developed human resources
- For Namibia, the need for developing and exploiting HR is even greater considering high unemployment levels
- Private sector can and should be more involved in HR development Our major disagreement is that the training levy should not be the only yardstick for private sector's contribution to HR and skills development
- Training levy should be complimented by other initiatives including apprenticeship, scholarships, financial contribution to training infrastructure and on-the-job training.
- Requirement for the linkage of work permits to the training levy is not necessary if the voluntary nature of NEEF is removed.
- The training levy should not be the minimum

contribution by businesses if we want to make a serious dent in skills shortages

MANAGEMENT CONTROL AND EMPLOYMENT EQUITY PILLAR

- Current status does not reflect demographic nature of our nation.
- Women are particularly excluded from executive directors and senior management positions.
- The issue of trusting black professionals is real in some white businesses – should be addressed.
- Clear targets should be set for specific sectors within a given period of time.
- This pillar will only be achievable if we succeed with the HR and Skills Development pillar.

CONCLUDING WORD

- HR and skills development pillar requires greater refining in order to come up with a robust policy which will make a national commitment to skills development within a specified timeframe.
- Our Vocational training capacity needs significant boost.
- NEEEF will be a successful policy tool if it results in a significantly larger middle class, creation of more black entrepreneurs and supplying critical mass of skilled professionals and technicians.

Technical expertise offered through Finnish Godfathers

The NCCI is pleased to announce that businesses can now apply for the Finnish "Senior Business Experts" assistance. This is good news for companies needing scarce skills and / or those which cannot afford services of business consultants. Companies, especially small and medium enterprises are encouraged to apply for assistance any area of business interest. This is your chance to get free assistance to improve your business efficiency. Experts are available in all areas of business operation. "Senior Business Experts" will be identified based on the needs description on your application form.

The maximum duration for an expert stay is one month, after which other follow up trips can be arranged. The cost for air fare, accommodation, insurance and daily allowance is covered by the NCCI. An application form is attached, which should be completed and returned to the NCCI. Please note that similar projects are available from the Netherlands and Germany.

Energy Efficiency Management Program (EEMP)

The NCCI is calling for expression of interest from the members interested to benefit from an initiative to improve the competitiveness of the private sector in Southern Africa. The Energy Efficiency Management Program (EEMP) project's objectives are improved productivity and competitiveness of businesses. This is done through assistance with an elaboration of an energy action plan, identification of appropriate investments for decreasing energy consumption; implementation and monitoring of the energy action plan; business planning for complementary investment, and development of best practices for reinforcing business sustainability. The project aims at having energy consumption reduced by at least 20%, increased productivity, profitability and investment on energy savings and increased investment on energy savings. Businesses in the agriculture, tourism and construction sectors are targeted.

The Competitiveness Enhancement Programme for Agro-Industries (CEP-Agro)

The Competitiveness Enhancement Programme for Agro-Industries (CEP-Agro)'s objectives are to improve and strengthen business' entrepreneurial skills in order to enhance their competitiveness. CEP-Agro aims at introducing and implementing mature and sound management practices, integrated performance information and comprehensive accountability system for companies. The project will improve management, product diversification / expansion; quality and process improvements, and business planning for complementary investments, and is expected to increase investment for better market access, among others. Agro-processing industries are encouraged to apply.

Rules of Origin for Textiles & Clothing

The SACU member states have not yet agreed on a common position as far as the SADC Rules of Origin for Textile and Clothing is concerned.

At the Trade negotiating Forum (TNF), it was noted that Botswana, Lesotho, Namibia, South Africa and Swaziland had agreed that it was necessary to undertake a comprehensive assessment of the possible impact to SACU of any change to the current SADC rules. In that regard, an impact analysis would be undertaken during the fiscal year 2012/13 starting in April 2012. SACU Members had therefore proposed that deliberations on the matter be deferred until the study had been finalized.

TNF was informed that the SACU consultations on the matter were in response to a SACU Council of Ministers' decision for SACU to take a common position on issues affecting the common Customs Act.

TNF noted the positions of other Member States in favour of single stage and that however national consultations were still to

be finalized.

A concern was raised that preferential trade agreements globally, including those between SADC Member States and some developed countries use a single stage transformation rule for trade in textiles and clothing, but that SADC was still using restrictive rules against trade in the sector amongst its Members.

It was noted that the rules of origin as they are protect industries from imports from the region, but overflow of products from third countries were not restricted. It was also pointed out that when asking for enhanced market access in developed world SADC Member States ask for single stage transformation.

Most SADC members are in favour of a single stage transformation rule.

NBJ Current Copy

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"Enhancing Investment for Job & Wealth Creation"

29-30 NOVEMBER 2011, WINDHOEK, NAMIBIA

Business Awards

Judges

Adv. Gerson Hinda (Chair)
Mr. Bro-Mathew Shinguadja
Mrs. Joan Guriras
Mr. Nghidinua Daniel
Ms. Daniela Severino

Award Category: Innovative Company of the year

Winner: MobiPay

Award Category: Entrepreneur of the year

Winner: Mr. Michael Iyambo (Oshikoto Fresh Produce)

Award Category: Domestic Investor of the Year

Winner: United Africa Group

Award Category: Foreign Investor of the year

Winner: Ohorongo Cement

Award Category: Best Social Responsible Company

Winner: Mobile Telecommunications Limited (MTC)

Award Category: Business Leader of the Year

Winner: Mr. Johannes !Gawaxab (Old Mutual Group)

Life Time Achievement Award

Dr. Frans Indongo
Frans Indongo Group (Pty) Ltd
Mr. Sven Thieme
Ohlthaver & List Group
Mr. Harold Pupkewitz
Pupkewitz Holdings