

# NCCI

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## Economic Empowerment issues

The NCCI Committee responsible for Economic Empowerment in Namibia met this month, to discuss among others, the newly introduced Namibian Equitable Economic Empowerment Framework (NEEEF). The Standing Committee is responsible for taking a leading role in the advocacy programs of the Chamber through the development of policy positions of the Chamber on issues affecting the business community.

This specific meeting was convened to discuss the newly released Equitable Economic Empowerment Framework (NEEEF) and come up with input as a common private sector position for submission to the Office of the Prime Minister.

The meeting chaired by Mr. Dirk Conradie noted with appreciation that Government has placed the issues of economic empowerment on the agenda, but cautioned that the framework is lacking substance. The Committee is of the opinion that even the name – NEEEF- seems to be avoiding the real issue being addressed. The meeting noted that the constitution of the republic of Namibia makes specific reference that laws will be enacted to empower and uplift previously disadvantaged Namibians, because it recognizes that there are citizens that are discriminated. Therefore the name should not be apologetic.

A meeting is sought with the Prime Minister to seek explanations and clarity on what the government seeks to do achieve and how it seeks to achieved it with NEEEF. Of great concerns is the fact that NEEEF is based on voluntary implementation, thus it lacks enforceability. The committee feels the process needs to be driven by the law due to the massive nature of the exercise, otherwise the process will be challenged.

Another concern is the exclusion of some sectors from the process, and the Committee feels an opportunity to meet with the PM would enable private sector to have a proper understanding.

The Committee also seeks to attain the report of the research which form the basis of the framework document.

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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

## Businesses tackle transports and logistics matters

The NCCI Committee Responsible for Transport and Logistics held its first meeting this month, highlighting the importance of the transport sector in the National Development Plan to accelerate economic growth and in particular to address the issue of unemployment in the country.

As part of its task, the committee has agreed to assess the capacity of all modes of transport and condition of the infrastructure in this sector in the country in order to advocate for the necessary interventions to develop and or build that capacity for the sector to grow.

In light of all developments aimed at regional integration, it is crucial for the country to integrate air transport with the Walvis Bay sea port, thus creating a strong need for a marketing strategy to promote the use of air transport in addition to sea and ground modes. The Walvis Bay route has a lot of potential and thus the importance to expand the

Walvis Bay Airport.

The meeting was informed that the litigation between the Government and the Spanish company that won the tender still needs to be resolved for the company to commission the expansion of the airport to the level of required capacity before it can be utilized optimally.

The committee which is comprised of representatives from transports and logistics activities also looked at the Transport Master plan for which a study would be commissioned early next year with funding secured from the EU Infrastructure fund.

This follows approval by Cabinet of a submission made by the Walvis Bay Corridor Group (WBCG).

In addition, the meeting also touched on the proposal submitted by the National Planning Commission to the Japan International Corporation Agency (JICA) for a study to develop Walvis Bay as a distribution hub in the region, which will feed into the Logistics and Distribution Master plan.

## Non-tariff barriers to trade

Non Tariff Barriers (NTBs) have become an important trade policy issue today because; they are capable of restricting trade, they are unpredictable and persistent and influence trade patterns and the free movement of goods and services within and across countries.

While non trade barriers have already proven to be a problem at the regional level, they have proven to be even more problematic in the face of the tripartite in EAC, COMESA and SADC. Although tariffs have been lowered through Free Trade Area (FTA) and Customs Union (CU), demands for protectionism have induced new NTBS. This is evidenced through the number of tariff lines affected by NTBS since progression started.

NTBs that restrain trade are typically justified on four main grounds, such

as: To safeguard health, safety, and security of human beings, animals and plants, and against environmental pollution, generally classified under sanitary and Phyto sanitary (SPS) measures; to protect home industries and consumers; to safeguard against revenue loss and to safeguard national security. Although some of these measures may exist for legitimate reasons, the application of such measures is often abused so that they are used not to further their ostensible aims, but to act as protectionist barriers to trade, at which point such measures become NTBs.

Recent NTBs Study (19 countries) in EAC, COMESA and SADC surveyed and documented the real impact of NTBs on intra regional trade.

The findings indicated that there are delayed response to NTB complaints from member states within the RECs, imposition of new trade requirements outside the treaty and relevant protocols, insufficient budgetary allocation for implementation of work programmes and action plans, as well as lack of implementation of the NTBS elimination plans for the removal and relaxation of NTBs. Delayed submission and circulation of notification of resolved NTBS by member states and the slow progress in the development of NTBs Regulations including a Penalty system are also cited as reasons for lack of major improvements.

The effect of NTBs on trade within the tripartite countries was uncovered as follows:

- NTBs still added >5% to landed cost of goods for >50% of respondents
- On average 20% of annual shipments faced some form of NTBs. For some companies it was 100%.
- Average direct additional cost of NTBs per shipment was US\$3,500 – excluding bribes!
- It was often taking an average of 6 days to clear goods through Customs.
- Average cost of border delays (where experienced) was 11% of landed cost
- Companies spend approx US\$145,000 per month on employees time and accommodation costs due to NTBs and delays.

## Volunteers to focus on Business development

Members will be pleased to note that a team of US Volunteers have committed to get involved in business development in all regions across the country.

A group of volunteers from the US visited the NCCI this month, and expressed interest in SME development; economic growth and employment creation in the communities in which they will be based.

The American Peace Corps will among others train and advise entrepreneurs and managers in business planning, basic bookkeeping, marketing, financial management, product design and distribution, and customer service. They will also provide counseling to cooperatives and groups, and assist with establishment of savings & loan clubs for community members and groups.

In addition, volunteers have undertaken to facilitate or teach business and financial literacy workshops for community members to help them learn personal financial planning and management.

Some of the ventures anticipated in communities in which these volunteers will be based are agribusiness (fruits, vegetables, and small livestock) and eco-tourism ventures.

They will help small businesses develop market linkages, and use websites and social media for product marketing.



Shell Namibia Team pictured with Hon. I. Katali Minister of Mines and Energy at one of the NCCI events

## Liquor committee appointment

In terms of subsection (2) of section 24 of the Liquor Act, 1998 (Act No. 6 of 1998), the Minister of Trade and Industry – Dr. Hage Geingob has appointed and announced the following as members of the Regional Liquor Licencing Committee.

Member	Body Represented by Member	Name of Liquor Licensing Committee
Mr Jamela Dube	Ministry of Health and Social Services	Caprivi Regional Liquor Licensing Committee
Mr Reginald Ndara	Namibia Chamber of Commerce and Industry	Kavango Regional Liquor Licensing Committee
Ms Fenni Angukku	Namibia Chamber of Commerce and Industry	Khomas Regional Liquor Licensing Committee
Ms Josephine Nghiishililwa	Ministry of Health and Social Services	Ohangwena Regional Liquor Licensing Committee
Mr Laban D Shetunyenga	Namibia Chamber of Commerce and Industry	Ohangwena Regional Liquor Licensing Committee
Mr Vitalis Nemushi	Namibia Chamber of Commerce and Industry	Omusati Regional Liquor Licensing Committee
Ms Venansia Simana	Ministry of Health and Social Services	Otjzondjupa Regional Liquor Licensing Committee
Mr Lucky Richter	Namibia Chamber of Commerce and Industry	Otjzondjupa Regional Liquor Licensing Committee

## COMMONWEALTH BUSINESS COUNCIL

The Commonwealth Business Council will be hosting the Namibia Investment Forum (NIF) at the Safari Court Hotel, Windhoek, Namibia on 29-30 November 2011. The event is co-organized by the Commonwealth Business Council and the Government of Namibia. HE President Hifikepunye Pohamba will be attending the Forum, and a Business Awards Gala dinner will be held on November 29.

The Commonwealth Business Council – [www.cbglobal.org](http://www.cbglobal.org) - facilitates co-operation between business and governments to promote a good environment for trade, enterprise and investment through the removal of barriers to trade, the promotion of good practice in corporate governance and corporate citizenship.

The NIF will profile Namibia's national trade and investment strategies, as well as specific business opportunities with a special focus on Namibia's economic drivers: Mining, Agriculture, Manufacturing, Infrastructure and Tourism. Additionally, a Project Centre will be in place to enable bilateral meetings and group discussions, with on hand support, to facilitate business deals.

The Forum will also enable investors to talk directly with senior Government officials and business leaders on opportunities for

partnerships in Namibia and on how to use the country as a hub to access an expanding market of nearly 250m consumers in the Southern African Development Community (SADC).

Further information on this event can be found on [http://www.cbglobal.org/CBC\\_Pages/EventDetails.aspx?EventID=123](http://www.cbglobal.org/CBC_Pages/EventDetails.aspx?EventID=123)

### Air Namibia re-introduces routes

Air Namibia has just reintroduced flights between Windhoek and Luderitz/Oranjemund. As of 01 October 2011, Air Namibia has operated flights every Tuesday, Thursday and Saturday between Hosea Kutako International Airport to Luderitz and proceeding into Oranjemund.

The departure and arrival at the Hosea Kutako Airport gives perfect connection possibilities to other towns such as Johannesburg, Cape Town, Lusaka, Luanda, Accra, Frankfurt and more.

The move is welcomed by the business community who were heavily effected by the absence of such a service.

## NCCI hands over SADC chambers' chair

The NCCI handed over the chairmanship of the Association of SADC Chamber of Commerce and Industry at the association's AGM during this month. The meeting resolved that the Constitution of ASSCI has to be amended and that an Auditor be appointed. Membership drive would be undertaken and all member states are urged to encourage various business associations to join. It was also agreed that ASSCI member chambers need to increase interactions amongst themselves with a view to facilitate more interactions among private sector players in the region was and continues to be relevant.

Further, it was agreed that the call for the lifting of sanctions against Zimbabwe by some members of the international community was still relevant, though business strategy should be different from the political strategy. The meeting was informed that some business organisations had already taken business delegations to Zimbabwe and other member chambers were also encouraged to do so.

A briefing was made regarding the formation and status quo of this organization of the Pan African Chamber. The Addis Ababa meeting of 2009 agreed to form the Pan African Chamber. During the regional caucus at that meeting, it was agreed that South Africa would take the Presidency and that Seychelles be one of the 5 Vice- Presidents, who would constitute the Executive Council. However, since then, not much has been reported on the activities and involvement of ASSCI in this organization.

The experts explained that the Ethiopian initiative was declared illegal by another meeting held in Alexandria, Egypt during the same year. It was proposed that ASSCI members rather support the Alexandria initiative rather than the Ethiopian one. The meeting resolved that ASSCI members support the Alexandria initiated Pan African Chambers and become involved.

It was emphasized that the administration of the institution was critical in going forward. There is a need to see that the Secretariat is equipped; Actual registration of the institution in Botswana is done; and opening of a new bank account to ensure that the contribution of membership fees were properly accounted.

The meeting resolved to empower BOCCIM to assist in the process of relocation of the organization to Botswana from South Africa. Mr. Oswald Binha of ZNCC (Zimbabwe) was nominated as current ASSCI president, deputised by Mr. Geoffrey Sakulanda of ZACCI (Zambia). The Executive Council is comprised

of Ms Maria Machailo-Ellis (BOCCIM Botswana), Ms Zondwa Mabuza (FSECC Swazilan), Mr. Mahmood Cheeroo (MCCI, Mauritius) and a yet to be named South Africa representative.

Congratulating the composition of the new team, the ASSCI president pointed out that the organization was going to benefit more from Mauritius in terms of institutional guidance due to their record of experience in institutional excellence; Botswana was very handy in terms of assistance in administrative activities; Zambia and Swaziland equally make it more vibrant as it were initially. He thus pointed out that the next AGM should produce significant results.

The new President also paid special tribute to Namibia stating that it was not easy to manage an institution that did not have the full commitment of members. He congratulated Namibia for a well done job and encouraged to continue supporting the organisation with the same energy and vibrancy shown over the years.

### Namibia Custom Smelters Pty Ltd

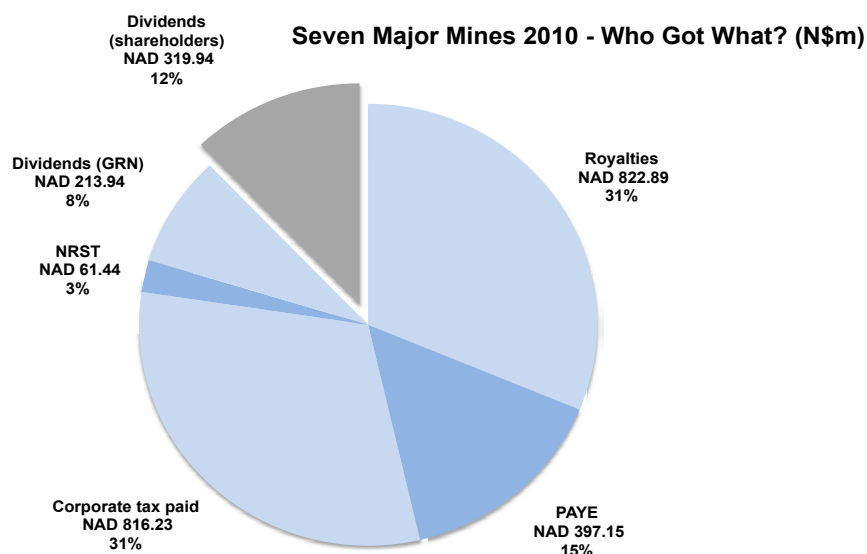
In recognition of the significance role the NCCI plays in the business community, and in celebrating its growth and success in business, Namibia Custom Smelters Pty Ltd has upgraded its membership to the Chamber from Large to Corporate. The Tsumeb based business involved in smelting, which engages in metal ore exploration and production and has been in business since the year 2000. It operates as a subsidiary of Weatherly International PLC. The board of NCCI congratulates the Namibia Custom Smelters Pty Ltd on this noble move.

# Mining and the Namibian Economy

The mining sector feels misunderstood and that the public has a distorted views of what is happening in the industry, therefore their expectations are not realistic. Sherbourne presented facts and figures in an attempt to justify mining contribution to the economy, and cautioning policy makers to shy away from making prejudice based policies. Just how rich is Namibia in terms of Natural resources? According to Sherbourne, as far as diamonds are concerned, Namibia is a relatively small producer, although the quality is relatively high. Regarding uranium, Sherbourne stated there are many countries whose uranium grade are higher than Namibia, although Namibia has higher concentration. Namibia's gold are not special by international standards either, while the country's copper does not even feature in the top 13 producing counties, according to Sherbourne. The Economist was trying to demonstrate that in all the strategic minerals, Namibia is relatively small. Below are some charts to prove the points.

## Who owns what?

Company	Ultimate Shareholders	Operations
AngloGold Ashanti	100% AngloGold Ashanti (NYSE)	Navachab gold mine ML31
AREVA	100% AREVA	Trekopje uranium mine ML151
Diamond Fields	Diamond Fields International (TSX)	ML111 and ML32
Langer Heinrich	100% Paladin Energy (ASX)	Langer Heinrich uranium mine ML140
Namdeb	50% GRN 50% De Beers (45% Anglo American)	Atlantic 1 concession for Namdeb Orange River, Bogenfels, Elizabeth Bay, Mining Area 1, Douglas Bay, Atlantic 1, Midwater (NDTC + NamGem)
Namibia Custom Smelters	100% Dundee Precious Metals (TSX)	Tsumeb smelter
Okorusu Fluorspar	100% Solvay Fluor (EuroNext)	Okorusu fluorspar mine ML90
Rosh Pinah Zinc	46% Exxaro Resources (JSE) 39% Jaguar 8% PE Minerals 4% RPM Holdings 3% Employees	Rosh Pinah zinc and lead mine ML39
Rössing Uranium	69% Rio Tinto 15% (LSE) Government of Iran 10% IDC of South Africa 3% GRN 3% Individuals	Rossing uranium mine ML28
Sakawe	76% Samicor BV 10% Longlife Mining 8% GRN 2% National Youth Service 4% Employees	ML36 A-J, ML 51, ML 103A (LLD Diamonds)
Salt Company	100% Klein Family	ML 66 A-J, ML 71 A-C, ML 83 A-C
Salt & Chemicals	100% Chlor-Alkali Holdings	Walvis Bay salt pan ML 37
Skorpion Zinc	100% Vedanta (LSE)	Skorpion zinc mine ML108 ,Namzinc refinery
Weatherly International	24% RAB Capital 17.56% Matterhorn 8.38% Bank Windhoek 6.75% Rod Webster 4.75% Wolf Martinick 3.23% GIPF (LSE-AIM)	Otjihase, Matchless, Tsumeb West, Kombat, Tschudi, Elbe, Berg Aukas, Asis Far West, Gross Otavi (NCS)



## Training Opportunities

International Leadership Training - Course 2012 – 2013 RED TRADE: Innovative Local/Regional Economic Development and Trade Promotion Long -Term Training (12 months) in Germany for Participants from SADC.

The International Leadership Training programme of GIZ provides a unique innovation and capacity building course for qualified and highly motivated junior executives and managerial personnel from private businesses, or local and regional consultancy and service providers, SME, economic development or spatial planning agencies, related to public service or research institutions in the SADC region.

The programme covers topics like: Introduction to Local and Regional Economic Development (LRED) and Trade Promotion (TP); Understanding underlying concepts and approaches of LRED and TP; LRED and TP as part of private sector development and change facilitation.

The next intake for this course will be in August – November 2011. Members interested in participating in this course are kindly requested to peruse the attached brochure and complete the application form.

A "MOTIVATION LETTER" explaining your reasons to apply for this training programme and a "SUPPORT LETTER" signed by your employer should also be submitted with the application form. By submitting the requested documentation, you will enter the PRE - SELECTING PROCESS, after which the official application documents will be sent only to the selected candidates. For further enquiries on the course, kindly contact Ms. Zini Godden on E-mail: zini.godden@giz.de and please take note of the deadline , Wednesday 30th November 2011.

## Brazilian products brought closer

If you are a potential importer of Brazilian products, here is an opportunity for you to participate in a fully sponsored trade mission to Johannesburg South Africa during November 2011. APEX Brasil wants to promote exports of chosen Brazilian products to African countries. As part of the overall strategy for the region, in November 2011 APEX Brasil will hold a two-day conference in Johannesburg, South Africa called Brasil Trade Africa, in which it expects to pair Brazilian exporters with African importers. Overall, around 6 chosen importers/companies from Namibia and 24 companies from other five African countries (Botswana, Kenya, Tanzania, South Africa, Zambia) will be invited for the conference, all expenses paid by APEX Brasil.

Given the importance of the event and high costs associated with the conference organization, the quality of business partners invited for the conference is key and will have a direct bearing on the value of business deals negotiated at the time of the conference. Therefore, APEX Brasil has engaged the services of Euromonitor to identify importers who are keen to import products from Brazil in the immediate future and offer good partnership potential for Brazilian exporters. Information provided will be used by APEX Brazil to shortlist African participants for the conference and to pair them with the best-fit Brazilian exporters.

NCCI therefore invites members in any of the sectors listed below to provide all their contact details with brief company profiles for selection to participate at Brasil Trade Africa mission in South Africa. Euromonitor representative will contact you directly for a short interview in order to ensure that companies meet all the criteria mentioned above and to obtain and confirm detailed company information.

## Business training needs addressed

In response to address the challenges faced by SMEs regarding business management skills, the NCCI in partnership with the Namibia Procurement Fund are conducting a series of training workshop focusing on tendering and VAT for 2011.

Through the initiative of the NCCI Tsumeb Branch in partnership with Namibia Customs Smelters, the branch assisted 21 of its SME members to participate in a two day training session focusing on Tendering and VAT. The SMEs that participated in the training own and manage small businesses providing catering, cleaning, transport, laundry, food, tourism, hair dressing, clothing and restaurant services.

Mr. Fritz Nitschke, Chairperson of the NCCI Tsumeb Branch stated that SMEs make a significant contribution to Namibia's economic growth and employment, hence the potential of the SME sector is immense to contribute towards Namibia's economic growth. However, this sector still continues to face challenges with regards to basic business management skills, access to finance, qualified and reliable workforce, demand and marketing related issues, lack of functioning financial instruments and lack of capacity of business planning in general. Hence, there is a need to develop the capacity of small and medium sized enterprises (SMEs), as they are the industries of tomorrow. He further added that he would like see more SMEs participating in the tendering process by supplying goods and services to government and large companies.

The SMEs that completed the training course will also receive small grants to assist them to expand and run their businesses. The funds were made available by the generous sponsorship of Namibia Customs Smelters amounting to N\$ 290,000.00 and will be administered by the NCCI Tsumeb Branch.



**Participants at the Business training workshop that was held at Tsumeb**

## Networking Dinner Windhoek Branch

The Windhoek Branch held its first ever Networking Business Dinner at a local Restaurant where 120 business people participated with representatives from the public and private sector to take the opportunity and platform to network and celebrate achievements of the business community during the year 2011.

All around the country, businesses both large and small continue to make strides in their own ways in so doing contributing to the national economy and growing their companies. Over the last year, the country witnessed the official opening of the Ohorongo Cement, The Hilton Hotel opened, the stage 3 expansion of the Langer Heinrich Uranium Mine and of course the strong exploration and development including the Areva Maxi Plant development and the Extract,

Bannerman, Auryx and Weatherly Mines getting back on their feet. The construction industry also took a leap this year, with the initiative of a Oshana Mall in Northern Namibia opening in the few months.

Other achievements for this year is the financial sector which performed well with FNB Namibia recording good results and with other blue chip companies such as Namibia Breweries and Bidvest Namibia doing exceptionally well during the year. 2011 also saw the conclusion of a 5 billion Namibian Dollars investment for Oil and Gas Exploration between HRT Namibia and HRT International to date one of the biggest private business transactions in the country. Pupkewitz Holdings also recorded exceptional results during the year.

A significant number of small and medium companies in various parts of the country also played their part in growing businesses. This were among the celebrated achievements at this event.

