

**SPEECH BY GAUTENG PREMIER DAVID MAKHURA: GUEST SPEAKER AT THE PRESIDENTIAL GALA DINNER OF INVEST IN NAMIBIA INTERNATIONAL INVESTMENT CONFERENCE.**

**8 NOVEMBER 2016**

His Excellency, Dr Hage Geingob, President of the Republic of Namibia;

Madame Monica Geingos, the First Lady of the Republic of Namibia;

H.E. Dr Nicky Iyambo, Vice President of the Republic of Namibia;

The Right Honourable, Ms Saara Kuugongelwa-Amadhila, Prime Minister of the Republic of Namibia;

South African Ambassador in Namibia, Her Excellency Ms Mavivi Myakayaka;

His Excellency, Mr Veiccohi Nghiwete, the High Commissioner of the Republic of Namibia in South Africa;

Ministers and Deputy Ministers;

Members of the Diplomatic Core;

Governors, Mayors and Councillors;

Presidents of the Namibian and Johannesburg Chambers of Commerce and Industry, Business Leaders and Entrepreneurs;

Distinguished Delegates;

Ladies and Gentlemen:

I would like to convey my sincerest personal appreciation and gratitude to President Geingob for coming to address an Investment Seminar in my country on 06 October in preparation for this groundbreaking INVEST IN NAMIBIA INTERNATIONAL INVESTMENT CONFERENCE.

Our provincial government had the singular honour to host the launch of the "Invest in Namibia" in Gauteng at which the President delivered a powerful message about Harambee Prosperity Plan and investment opportunities in Namibia.

Mr President, at the lunch we hosted in your honour, I made a commitment that I will attend this Investment Conference in order to see for myself how far Namibia has come since independence. Thank you for inviting me back to the beautiful Namibia, the land of the brave.

Ladies and gentlemen, the sister peoples of South Africa and Namibia have a long shared history of suffering and struggling together in the common quest to determine their own destiny and realise their dreams of freedom, peace and prosperity.

South Africa and Namibia were oppressed by the same racist apartheid regime. Our mutual leaders, President Nelson Mandela and Toivo Ja Toivo spent many of

incarceration together on Robben Island. Oliver Tambo and President Sam Nujoma and many cadres of the ANC and SWAPO shared the battle trenches in exile and successfully led the struggle to final victory in 1990 and 1994, respectively. The peoples of Namibia and South Africa have deep affection for one another.

On behalf of the delegation of South Africans who are attending this Conference, I would like to convey a simple and heartfelt message: We love Namibia. The last time I was in Namibia was in 1992/3 when Professor Peter Katjavivi, the current Speaker of the Namibian National Parliament, was being inaugurated as the Deputy Vice Chancellor and Principal of the new University of Namibia. I came here as the student leader and President of the Student Representative Council at the University of the North. This was a very crucial time in the history of our two sister countries. The new Republic of Namibia was two years old, while South African's transition to democracy was at a delicate stage.

Today we meet as at this Investment Conference as free people to exchange ideas and encourage trade and investment between our two sister countries. As Gauteng, we are delighted to be the host of this Investment Conference in order to deepen mutually beneficial economic relations between South Africa and Namibia, as well as Windhoek and the Gauteng City Region.

Mr President, I can attest to the reality that a lot has changed over the past 24 years. Windhoek has grown and developed phenomenally. Katutura has grown exponentially. The country is now well respected as it has established a track record of being a stable democracy that abides by the dictates of rule of law. Namibia is characterized by an accountable, transparent and clean government.

Yesterday I had the pleasure to visit Walvis Bay, Namibia's Port which is at the centre of driving economic development. When I came here twenty four years ago, Walvis Bay was still in the hands of apartheid government of South Africa who were refusing to hand it over to the new government of Namibia. It was only in 1994 that President Nelson Mandela finally handed Walvis Bay to its rightful owners, the people of Namibia.

Yesterday I saw the amazing progress being done to expand the Port of Walvis Bay through land reclamation. There is evidence to suggest that this port is so crucial to the economic vibrancy of the Trans-Kalahari Development Corridor from Walvis Bay through Gaborone to Johannesburg. This trade route is the nerve centre of trade between Namibia, Botswana and South Africa. This has become one of the busiest logistics corridors in the SADC region.

Fellow Africans, this International Investment Conference has brought us together to focus on strengthening economic ties which must underpin our historical political and cultural relations. We are to discuss to increase investment into Namibia in a way that fosters industrialisation and innovation in order to achieve inclusive growth and shared prosperity.

Mr President, we listened to your speech in South Africa last month and this morning wherein you talk about building a Namibian house in which no one is left out. We also heard the testimony of Namibian businesspeople about your personal determination to ensure that Namibia becomes a major economic player in Africa's industrialisation.

Last night we had the honour to briefly attend dinner hosted by One Economy Foundation, an initiative of the First Lady of Namibia, Madame Monica Geingos, which seeks to integrate the informal sector and offer opportunities to Namibians from poor background to realise their dreams of becoming productive citizens. The First Lady passionately and articulately delivered a message about building one Namibian economy in which no one is left out.

The One Economy initiative is an example of how citizens and businesses must work together to complement the efforts of government to build an inclusive society in no one is left out. I would like to take this opportunity to commend Madame Monica Geingos for giving hope to young Namibians who come from under-privileged backgrounds in the townships and villages. We must take pride in citizen and civil society initiatives that contribute to building an Africa of our dreams.

We must disabuse ourselves of the notion that every problem must be solved by government, while citizens stand by and complain. In the true African spirit of Ubuntu, ordinary citizens assert their dignity from self-reliance. Social and economic development can only be sustainable when it mobilizes the energies and resources of citizens and local communities. Africa can only advance its development ambitions if it mobilizes its people and utilizes its own resources in a sustainable and inclusive manner.

If we want an Africa in which no country and no person is left out, we must all contribute in our personal capacities and live the dream. Our values must reflect that we care for the wellbeing of others.

Ladies and gentlemen, we are a generation that carries the responsibility to make Africa the centre of gravity again with regard to global politics, economics and governance. Africa is the cradle of humanity and human civilization.

In this regard we recall the enormous contribution of ancient African kingdoms to the development of knowledge, science, mathematics, commerce, astronomy, architecture and religions – all of which shaped the evolution of humanity.

There is no doubt that Africa has made tremendous progress over the past ten years. The "Africa Rising" narrative tries to capture this progress often in very simplistic terms. Although we should welcome the optimism and evidential positive story about the progress we are making as a continent, my argument is that Africa's progress is more nuanced and more complex than what the discourse on Africa Rising is able to comprehend. We still face many challenges pertaining to low levels of investment in our people, lack of adequate infrastructure, absence of supportive innovation ecosystems and the kind of economic growth path that leaves out many citizens of our continent. We have to address all these challenges if Africa is to rise in a sustainable and inclusive way.

In order to address Africa's challenges, we need to push ahead with interventions in areas such as building a democratic culture; ethical leadership that prioritises citizens, sound and enduring institutions that outlive specific leadership personalities and withstand leadership transitions; building infrastructure; promoting economic

integration, driving industrialisation and innovation; greater levels of intra-Africa trade and ensuring that growth is inclusive and shared among all citizens of the continent.

Harambee Prosperity Plan is a dream of the kind of Africa and Namibia whose prospects were eloquently articulated by Pixley ka Isaka Seme, in 1906, when he said: *“The brighter day is rising upon Africa. Already I seem to see her chains dissolved, her desert plains red with harvest, her Abyssinia and her Zululand the seats of science and religion, reflecting the glory of the rising sun from the spires of their churches and universities. Her Congo and her Gambia whitened with commerce, her crowded cities sending forth the hum of business, and all her sons employed in advancing the victories of peace greater and more abiding than the spoils of war. Yes, the regeneration of Africa belongs to this new and powerful period!”*

As Africans, our collective goal must be to build the kind of Africa whose chains are dissolved; whose desert planes are red with harvest; whose Congo and Gambia are whitened with commerce; whose crowded cities send forth the hum of business – an Africa where all her sons and daughters are employed in advancing the victories of peace, that are greater and more abiding than the spoils of war.

Dear Friends and Comrades, we must remember that this Conference in a period in which there is great uncertainty in the world due to a lacklustre performance of global economy. According to the IMF’s October 2016 World Economic Outlook Report for the year 2016, the world economy is expected to grow at 3.1% which is slightly lower than last year’s 3.2%. The US economy is forecast to grow at 1.6% from last year’s 2.6%, with the Euro Area’s growth slowing to 1.7% from 2.0% in 2015. The sub-Saharan economy is predicted to grow a 1.4% in 2016 down from 3.4% in 2015.

The 2013 Report published by the Economic Commission on Africa and the African Union Commission has the following to say on the potential for industrialisation on our continent; *“Africa’s industrialization potential lies mainly in exploiting its commodity base by adding value instead of relying on exports of commodities in their raw form”*.

The Report further argues that these commodities serve as a launching pad for long-term economic diversification. Let us harness our natural resource endowments to propel Africa's industrialisation and support industries and firms to compete in regional and global value and supply chains. Industrialisation and local manufacturing as well as high value services will help our economies to create more decent jobs that offer our citizens a better quality of life so that they are not left out.

South Africa is the best example of how the discovery of mineral resources, especially gold and diamonds, gave impetus to our country’s economic development and industrialisation. Commodity-based industrialization was a stepping stone towards building a sophisticated services economy, with a sophisticated financial sector and a vibrant capital goods industry. We want to use the industrial capabilities of our country to further industrialise Sub-Saharan Africa in general and the SADC region in particular.

More than half of these reserves are located in the SADC region. Specifically, the SADC region is a leading supplier of critical and valuable raw materials such as platinum (accounting for about 75 % of world supply), gold (about 10 % of world supply) and oil. Our country, South Africa, has a mineral resource endowment valued at more than R 250 trillion (about USD 200 billion). South Africa is among the leading producers of gold in the world and we have more than three quarters of the known global deposits of Platinum Group Metals. We must seize the opportunity to build a strong manufacturing and industrial base, as well promote inclusive growth.

The Conference is a direct response to the African Union Agenda 2063 which calls upon all Africans to work hard to do away with the apparent disconnect between the presence of vast mineral resources, including agricultural imports, in our countries and the building of a vibrant manufacturing sector.

The work being done by African governments to promote and expand intra-Africa trade under the leadership of the African Union is necessary to grow our economies in a more sustainable and inclusive way. In this regard, we refer to the work done by the AU Commission and the NEPAD Agency on implementing Agenda 2063 and in the immediate the Tripartite Free Trade Agreement; an agreement between the Heads of State of 26 African countries to establish a free trade area aimed at bringing together three of Africa's major regional economic communities – the Southern Africa Development Community, the East African Community and the Common Market for Eastern and Southern Africa.

This initiative is creating a combined market of more than 600 million people, a market surpassed only by China and India, and an economic block with a total GDP of 1 trillion US Dollars. We are through the AU Commission and the NEPAD agency working towards realizing dream of a Continental Free Trade Area.

We urge African businesspeople and entrepreneurs to take advantage of these initiatives and ensure that entrepreneurs, SMMEs have access to economic opportunities beyond borders. This includes integrating the informal sector and what we call the township economies into the mainstream of our national and regional economies.

In this regards, we note that the African Development Bank estimates that real GDP growth in Africa will average 4 per cent in 2015, reaching 5 per cent in 2016. To us this points to the resilience of the African economy in the face of numerous challenges.

One of the issues that I have been putting forward in various academic and public platforms is the role of African cities and regional or provincial governments in Africa's industrialization efforts. We in sub-national governments need to play a more serious role in giving economic leadership at a local and regional level. At the heart of Africa's inclusive growth path needs requires the proactive participation of local and provincial governments that are well governed. Cities and regions are becoming key drivers of the global economy. Africa's rapid urbanisation and the exponential growth of urban youthful populations must be harness as a trigger for industrialisation, innovation, inclusive growth and shared prosperity.

For an example the work that is happening in Walvis Bay of creating new economic nodes is central towards building a vibrant city that will contribute towards the economy of the region and indeed that of Namibia. It is also such initiatives that we believe will attract investors whom we believe should partner with local businesses with the aim of building the Namibian entrepreneurs, SMMEs and thereby creating much needed economic opportunities for the people of Namibia.

Accordingly, we welcome the importance placed by President Hage Geingob, the government of Namibia, SADC and the African Union on the need to focus on industrialisation and the building of inclusive economies. As President Hage Geingob said in 2012 in his previous capacity as the Minister of Trade and Industry; “For the Namibian Government, *industrialisation remains an essential objective in the context of sustainable wealth and job creation*”.

Equally we identify fully with the goals of the Namibian government’s “Growth at Home Strategy” which seeks to facilitate the development of a competitive and diversified industrial base that optimally utilizes local resources through comprehensive value addition (particularly in mining and agriculture), and the creation of an enabling environment for increased investment and sustained growth in the region.

We must state that the sectors that the government of Namibia is targeting as part of industrialisation, which is construction with a focus on addressing the housing backlog and urbanization; tourism, manufacturing; agriculture; energy; transport and logistics match very well with ten sectors as identified by South Africa's Industrial Policy Action Plan and the NDP, Vision 2030.

Our immediate challenge, therefore, is to build strong domestic industrial bases that enhance co-operation, thus enabling us to take advantage of the backward and forward linkages as well as synergies as we gradually build a diversified, innovative and globally competitive industrial base across the region. This must be the goals of our common industrial policy interventions.

We must also forge ahead with the agenda of integrating our economies and markets to build a strong regional industrial and manufacturing base that will serve to catalyse regional integration. We have no doubt that this Conference will go a long way in ensuring that we achieve these objectives.

As we pursue the agenda of industrialisation, let us, once again, draw guidance from the wisdom of His Excellency President Hage, when he said the following on industrial policy; “*All industrialised nations, including newly industrialised nations, lump together an array of economic policies to promote their industries and even companies across the globe...these measures have included the picking of so-called winning sectors; special incentives for manufacturing companies; export subsidies; infant industry protection, often under the pretext of such industries being strategic; and agricultural subsidies...establishment of the export processing zone (EPZ) regime and the special incentives for manufacturing companies.*”

Allow me once again to reiterate South Africa and Gauteng's commitment to working with the government of Namibia in strengthening our regional and continental

industrialisation and reindustrialisation efforts. We stand ready to contribute our resources and capabilities towards this important goal.

I am glad to announce that Gauteng and Erongo Region will be signing an MOU early next year as part of strengthening the sub-national collaboration between cities and regions. Governor Mutshavikua and myself are keen to work together to take industrialisation efforts to regional and city level, following on the footsteps of our two countries binational agreements.

Mr President, your transparent and ethical leadership inspires many in generation to strive for an Africa in which leaders will be there to serve the interests of their citizens and promote public interest at all times. There is no doubt that Namibia's progress is a function of enduringly committed and ethical leadership and sound institutions that outlive personalities and inner-party struggles.

Finally, I would like to thank you for staying throughout the Conference to listen to the deliberations. You did not speak and leave immediately thereafter. Your exemplary leadership and humility is a gift to the people of Namibia and the continent.

Africa's time has come and the time to industrialise is now. We in Southern Africa can and must lead Africa's industrialisation, inclusive growth and shared prosperity.

Thank you.