

**CONTRIBUTION TO THE DEBATE ON THE
APPROPRIATION BILL [B. 1 OF 2013]
BY HON PEYA MUSHELENGA, MP
DEPUTY MINISTER OF FOREIGN AFFAIRS**

**Windhoek
12 March 2013**

Hon Speaker
Hon Members

The budget before us is a demonstration of the Government's continued efforts to provide stimulus to the economy, address unemployment, accelerate skills development and enhance infrastructure development, all of which are key factors in enhancing economic development and investment in the economy.

The budget before this House places the importance of youth empowerment at the forefront, amongst others. This is demonstrated in significant and increased allocation to youth programmes and sports facilities which are aimed at developing our fellow youth. This is in addition to allocation made in the field of skills development to the regional skills development centres, which empower our youth with various skills in technical and vocational fields. Further, the free universal education provided is a catalyst for the skills development of our youth.

I am mindful of the macro-economic environment under which this budget was prepared, which is mainly shrouded in the uncertainty in the growth forecasts in the global economy. Besides this, I wish to commend the Hon Minister of Finance for maintaining a balance between the need to grow our economy and the delicate need to ensure sustenance in our fiscal stances, such as debt and deficit.

In the same vein, I am impressed by our development goals that we intend to pursue in the next MTEF. The development in our infrastructure helps us to improve on the competitiveness of our economy. Specifically, as a nation, we need to invest in the security of the supply of electricity, if we are to assure our potential investors of the ability of our economy to sustain the supply of electricity. I support the amount of N\$416.3 million provided for in the coming MTEF period.

Honourable Speaker,

I must state that it is good to have electrification programmes in place, but most importantly, we need to have enough power generation capacity. I had previously listened to the Minister of Mines and Energy, Hon Katali expressing commitment to the development of a Kudu-Gas-To-Power project that is expected to solve our generation capacity and I commend him on his stance. NamPower should, thus, support its line Minister in this endeavour. I have heard about other generation plans such as the coal power plant at Erongo. Granted, we can have that – but, what NamPower is not telling the nation is that the coal power plant would only solve our power problem for a period of about five years. What happens after that? And if we spend billions of dollars in the coal power plant from the company's balance sheet, where are we going to find money to fund another major generation project?

This august House had during the third parliament approved the appropriation of funds to NamPower, specifically for the Kudu Project. Yet, things are not moving as anticipated. Since these are public funds, why have ~~they~~ *these funds* not been returned, if the

project is not on? Are those funds still available or ~~has~~ have they been spent for other unintended use?

The development of the gas power plant is further necessary for industrialisation. It is stated in the MTEF document that the Ministry of Trade and Industry aims to develop a robust and competitive industrial sector which will have enough capacity to supply both the domestic and external markets. Without enough power supply we will not be able to grow our industries. Industrialisation is something that we need as it will create much needed employment opportunities. Let time and energy be spent on the realisation of this major power project that ensures the provision of power on a long term sustainable basis. Actually, it is reported in the media last Friday that one of our neighbouring governments is suing for the delay in the construction of a power plant. Perhaps when the Namibian government ponders similar actions, someone somewhere will wake up.

Honourable Speaker

Equally important is the supply of water, especially to rural communities. Water is life, and with the change in climate and the low rainfall in most parts of the country, we should be concerned about the water provision in rural areas, and also the provision of water for our livestock. Hence, efforts to increase the supply of water should be supported, and I note the allocation of N\$2.6 billion over the MTEF period.

This year started against the background of poor rainfall. This affects agricultural production, both for commercial and subsistence purposes. The rural communities in particular are heavily dependent on rain water. I support the provision in the MTEF of the drilling of borehole as one of the measures to alleviate the water problem in the rural communities.

Honourable Speaker

Last year, Namibia has dropped down the Global Competitiveness Rankings to 92nd out of 144 countries surveyed. In his contribution to the budget debate, Honourable Nyamu alluded to this fact as if it was the end of Namibia. He claimed that Namibia has been placed at the bottom of hell and referred to the uproar ~~on~~ the report as having made by those who lives in a fool's paradise. In any case, it has been acknowledged by Government in the Accountability Report that there is a decline in Namibia's competitive ranking and that the Ministry of Trade and Industry will coordinate with other government institutions where the country has performed poorly and map out a strategies to address the problem areas. Honourable Nyamu appear not to have read this, given what he claimed in his speech. Another thing that I should sensitise the Honourable Member about is the language he uses. We should debate the budget without resorting to disparaging and discourteous phrases. Hon Nyamu has made it a habit of uttering vituperative remarks and slanderous expressions in Parliament, thereby lowering the decorum of this prestigious House. It is high time that he is called to order!

Despite the overall ranking at 92nd position, we scored favourably well in relatively well functioning institutional environment (52nd), infrastructure (59th) and developed

financial markets (48th). The competitiveness report points to areas we are perceived to be weaker, and which we must therefore strive to improve. These include low health and education indicators. I am pleased that our budget places significant allocations to these two sectors, with the Ministry of education setting their targets to include among others access to equitable and quality education for all children, and integrating the use of ICT in education.

Honourable Speaker

A nation's competitiveness is determined by its productivity. A renowned Professor of Economics Robert Carbaugh avers in his publication *International Economics* that international trade system allows nations to specialise in industries where they have competitive advantage. Our beef and ~~meat~~^{fish} industries are, no doubt, ~~one~~^{some} of the areas where we do well. It is, thus, important to ensure that we maintain unimpeded trade of this commodity in international markets. To achieve this, the business landscape should be favourable and equitable trade regimes should be put in place. It is for these reasons that the African, Caribbean Pacific (ACP) group of states demands a fair trade deal with the European Union (EU) in a form of the Economic Partnership Agreement (EPA).

The Namibian government should be applauded for standing firm in EPA negotiations, where others wavered. While some stakeholders in the ACP-EU trade negotiations rushed to sign the interim EPA, we remained adamant not to do so, pending the consideration of our concerns. Eventually, what started as issues of concern to Namibia became issue of concern to all, including those who doubted us at the beginning. We should remain firm on the outstanding issues, such as the rule of origin, definition of parties and Most Favoured Nation (MFN) clause. If the issue of the origin of products is clearly specified there could be no blame game, for example when a horse meat was found in supposedly beef burgers sold in UK and Ireland. The exclusion of the Most Favoured Nation (MFN) clause remains vital for our trade with emerging economies like the BRICS (Brazil, Russia, India and China) ^{and South Africa} countries. Our trade partners have their respective unique characteristics, and it is on the basis of those that we choose them as our business allies. To extend similar trade benefits to them will, accordingly, not be an ideal exercise.

When agreements like the EPAs or any other bilateral agreements are concluded, it is important that our diplomats work hard to ensure that trade indeed take place between Namibia and her partners. Promotion of trade does not only entail bringing trade and investment to Namibia, but it also entails promoting Namibian products to be exported outside. This is underscored in the Accountability Report as one of the objectives of our diplomatic establishment abroad. Diplomats should follow up on trade agreements concluded with Namibia and endeavour to bring such agreement to their fruition. The Missions are further charged with the responsibilities of gathering and analysing information. They should not serve as post offices, transmitting reports and documents, without providing an opinion on the subject matter. The essence of diplomatic representation is that diplomats are better placed to know and advise their sending state appropriately.

We have many friends in Eastern Europe and Asia, whom history shall attest that they stood by Namibia during the pre-independence period. These friends still exist *albeit* in a changed post Cold-War environment. We should increase our bilateral activities with such friends and nurture our relations further by way of increasing our import and export trade with these countries. Accordingly, yours truly visited our traditional allies, Vietnam and Lithuania in the recent months and in the ~~later~~ ^{letter}, held discussions with a business federation of that country to link it up with the Namibian Chamber of Commerce and Industry. Doing business with traditional allies is vital for our trade because as two partners we understand each other better and can count on each other's support not only in mutual bilateral trade^s, but also in multilateral trade negotiations.

Honourable Speaker

On the international front, conflict continues to prevail in the Arab region, in Syria. We support the mediation efforts by the United Nations, currently spearheaded by Mr Lakhdar Brahimi. All parties should stick to the six-point plan that has been advanced as a roadmap towards ending the turbulence. Both the Syrian government and oppositions should stop the fights in order to achieve a sustainable cessation of armed violence. They should allow the United Nations to effectively supervise this process. Eventually, the people of Syria should decide on their destiny by way of realising the aspirations of the majority.

We continue to observe turbulences on the African continent. As we celebrated our 22nd independence anniversary last year, the people of Mali witnessed the start of a fateful period, when the military took over the government of Mali, following the Tuareg rebellion. *Coup d'états* in their very nature are undesirable, as they dispose elected governments, thereby going against the wishes of the majority votes. The Namibian constitution underscores the values of democracy and respect of democratic institutions of states. We will, therefore, not approve people who assume power at whim, but through legitimate processes that are guided by their supreme law. As I stated on the rostrum of this chamber last year, I would like to reiterate that the territorial integrity of Mali remains of paramount importance. The unilateral declaration by the Tuareg rebels in Azawad which sought to partition Mali, therefore, stands condemned.

Just in our region an armed rebellion sprang in the DRC, as the rebel groups sought to topple an elected government. Such course of action stands to destabilise peace on the southern Africa region. Thus, SADC should be applauded for having decided to make a contribution to the Neutral International Force to ensure that the conflict in that country is brought to an end. Those who live on waging war and fomenting hostilities should know that the region will not stand aside and allow aggression and belligerence to be the order of the day. No progressive government or dignified leader would support actions that aimed at the loss of lives and displacement of women and children.

We are encouraged by the manner in which peace prevailed in Kenya during the recently concluded elections, avoiding a repetition of the post-election violence in which

many people lost their lives, five years ago. Elections are important arrangements that should be treated with reverence. No reckless behaviour should be associated with such important exercise. This brings to my mind when in 2009, some people were deliberately sending fake election results over the internet, as opposed to then correct figures from the Electoral Commission of Namibia (ECN). Such behaviours are meant to cause confusions and bring triviality in the entire election process. This august house should, therefore, look into legislation that brings to book those who maliciously distribute unauthenticated elections results.

With these words, I support the Budget for the financial year 2012 / 13 and the MTEF for the financial year 2012 / 13 – 2015 / 16.

I thank you!