

CONTRIBUTION BY MR SEBASTIAAN KARUPU ON THE MID-TERM BUDGET 2023/2024

14 NOVEMBER 2023

HONOURABLE SPEAKER,

HONOURABLE MEMBERS'

I rise to make a brief intervention on the Appropriation Amendment Bill [B. 21-2023] tabled by the Hon. Ipumbu Shiimi, Minister of Finance and Public Enterprises on the 31st October 2023 in this august House under the theme **"Economic Revival and Caring for Poor"**. While agreeing with the Hon minister on the theme, I would suggest that in the next budget the theme should include the demography of the young people of this country who are mostly affected by the skills deficit and the high rate of unemployment.

However, honourable Speaker, let me commend the Hon. Minister of Finance and Public Enterprises and his entire team for the well-crafted Mid-Term Review Bill. In his introductory remarks, the Hon Minister informed the Namibian citizens on the central focus of this macro-fiscal policy framework as follow: ***"To provide a review of the current year budget performance, to assess the available fiscal space and to propose the necessary resource allocation through this Appropriation Amendment Bill; and to provide for the macroeconomic and fiscal context and government spending priorities for the next budget and the MTEF"***.

HONOURABLE SPEAKER,

HONOURABLE MEMBERS,

The good news we are getting from this Mid-Term-Review Bill is that, 'despite the high global inflation and the resultant tight conditions the Namibian economy currently finds itself in, the country's economy still outperforming some of its peers'.

This economic performance was also confirmed by PDM's treasurer general Hon. Nico Smit on the 9th November 2023 in this House. In his intervention Hon Smit commended the Minister of Finance and Public Enterprises as follow, ***"Hon Speaker, Hon Members, the Minister of Finance and Public Enterprises, Hon Ipumbu Shiimi must be a very happy man."***

On his watch, revenue has significantly outperformed the projections in the main budget tabled on the 22 February this year, and he has managed to keep government debt as a percentage of Gross Domestic Product, below the 70% mark”.

Hon Smit further said, “Following the tabling of the Mid-Year Budget Review, it is now public knowledge that the economy has performed better than expected for the first six months of the fiscal year. This has enabled the Minister to adjust the outlook for full-year revenue collection by some N\$3.8 billion to N\$78.5 billion, an adjustment that has a large influence on the budget deficit’.

Hon Speaker, Honourable Members, it is for the first time that I heard the Hon Smit acknowledging the SWAPO led Government’s achievements, which is the right thing to do. It is on this basis that I am enjoying quoting him in my intervention today. I urge all Members of this House to embrace this spirit of patriotism. Hon. Smit well done. This is what the people of this country want to hear from all of us as their elected representatives. We can criticise where it is necessary and at the same time we should acknowledge our own achievement as a nation. Of course including the achievements of our government.

My last quotation from Hon Nico Smith is as follow, “As at mid-year, the primary budget balance has improved nearly three-fold to a surplus of N\$2.7 billion while the overall deficit has increased marginally from N\$9.1 billion in the main budget to N\$9.7 billion in the mid-tem review. Of course, this is not adding the hefty increase in interest payment on government debt and the large guarantees the government has to honour on bleeding state-owned enterprises.

Coupled with the strong 22% growth in Gross Domestic Product, the budget deficit now amounts to some 5.3% of GDP which is more or less in line with the deficits of the past two years. On the face of it, Hon Speaker, Hon Members, it seems that the economy, and by implication, the fiscus, is doing much better than we expected at the beginning of this year. There is also a perceptible improvement despite the slightly lower growth ratios for this year compared to 2022. All in all, it seems that our worries of the past seven years are over”.

That concludes my quotations on Hon Nico Smit’s acknowledgement of the good performance of the economy of this country under the government of the day.

However, Hon Smit being a member of the official opposition party in this House, he has adopted his own culture of making sure that in every intervention he makes in this House, he has to make a destructive political statements to paint the SWAPO Party and her led government a negative picture in the eyes of the Namibian people. Well some of us understands him because he does that for the survival of his own political party.

HON SPEAKER,

HON MEMBERS,

Hon. Smit and all of us, including the Ministry of Finance and Public Enterprises and the Ministry of Environment and Tourist has failed to notice and acknowledge the tremendous achievement the Namibia Wildlife Resorts has made, in which it set a record as the first State Owned Enterprise that successfully paid off its debt in the amounts of over N\$90 million within a space of three years only. I think as a nation, we owe the management and the entire employees of NWR a big applause. Fellow Namibian, let us learn to give credit where it is due.

HON SPEAKER,

HON MEMBERS,

Our primary mandate as members of the legislative branch is to make law and the Mid-Term Review Bill is one of the statutory law we are making and in this regard, we only scrutinize and approve the allocations of funds to the different Offices, Ministries and Agencies (OMAS). We do not deal with the apportionment and the actual execution of the funds we approve in this House.

The assessment, planning and execution the government programmes lies with the Executive branch of the State through different Offices, Ministries and Agencies. My call on these State Entities is that they redistribute the funds we are passing her equitably. By equitable I mean paying more attention to the poorest sections of our population. These sectors doesn't not need to be advised as to which section of our population are the most poorest. There are enough data at their disposal on this matter and these data speaks on itself.

The data on poverty implies not limit to inadequate food, lack on income or employment and or not represented in the strategic decision making positions from the people of those sections of the population.

Lack of sanitation (majority still use bushes when nature calls), some children are still walking long distance to schools and back. Some children are still attend their classes in temporal structures, trees or tents. There is no electricity to study at night or to use some electronic devises for their school projects. No potable water (some people still gets their water from the traditional wells). Some communities walk long distance to their nearest health facilities and there is no feeder roads to connect them to the main roads or to use to market their produce to their nearest market which may be over 50 kilometres

To address disparity in resource and service provision in my view is to apply equity and not equally distribution of resources and provision of service in the country. These and many more factors contributes to what is referred to us poverty. We all agree that this government has done a lot for the past 33 years, but we must accept that we still have a long way to go to become a developed nation and we all need to join efforts to contribute towards attaining this goal. But as far as addressing the issue of disparity in the country, equitable distribution of the nations' cake is the only practical solution.

HON SPEAKER,

HON MEMBERS,

I want to conclude my intervention by to agreeing with some economists who said that returning millions of Namibia Dollars to Treasury impacts negatively on the livelihood of the citizens of this country who were supposed to benefit from the services that would results from the fully execution of such fund. However, I must also inform the nation that this House may approve the amount in figure that it is still to be collected. That is why a budget is referred to as an estimate of revenue and expenditures. In some instances it is not the offices, ministries, agencies, regional councils or town councils that has failed to spend the money appropriated to them, but it can happen that the estimated economic turnover during that period may have not been favourable, meaning that NamRA might have not collected the intended amount of money to be released by the ministry of finance to those state funded entities during that period. In this regard we have no one to blame, as this was caused by external economic environment.

With this intervention Honourable Speaker, Honourable Members, I wholeheartedly support the Mid-Term Review Budget and I thank you for your attention.