Ministry of Industrialization, Trade and SME Development

VALUE CHAINS AND RENEWABLE ENERGY EFFICIENCY AND INDUSTRIAL EFFICIENCY: SOME POLICY PERSPECTIVE

16 MAY 2019
SACREE CONFERENCE

Dr. M Humavindu
DED: Industrial Development
1. Introduction
2. Policy Foundations
3. Namibia and SADC Value Chains Developments
4. Context and Policy Perspectives
5. Current and future Enablers of Industry in Namibia & SADC Growth
6. Conclusions
MITSMED’s mandate:

- to promote the Development of Industries and MSMEs
- to promote Trade (internal and international)
- to promote Investment

Strategic Intervention Area’s of “Growth at Home”

- Supporting value addition, upgrading and diversification for sustained growth
- Securing market access at home and abroad
- Improving investment climate and conditions
Policy Foundations

- Industrial Policy 2012
- “Growth at Home” Execution Strategy 2014
- Harambee Prosperity Plan 2016
- MSME National Policy 2016
- 10 Industry Growth Strategies 2016
- NDP 5 (ECONOMIC PROGRESSION: Achieve Inclusive, Sustainable and Equitable Economic Growth)
- Invader Bush Processing-11th Sector Growth Strategy
- SADC Industrialization Strategy and Roadmap
- Envisaged in “Growth at Home”
- Government’s effort to accelerate manufacturing activities, value addition and to develop sectoral value chains
- Government’s interventions based on principles of sustainable and prudent economic management and the protection of public interest
- De-industrialization is a core risk - policies and strategies need to be correctly attuned and optimized

- Industrial Development is a shared responsibility between private and public sector
Charcoal
Cosmetics
Game Meat
Handicrafts
Jewellery and Gemstones
Leather
Metal Fabrication
Seafood
Swakara Wool
Taxidermy
Regional Value Chains Update

- Value chain participation is a crucial driver of the Industrialization Strategy in view of its potential for expanding production possibilities and enhancing cross-border utilization of the natural and human resources of the region.
- The ‘unbundling’ of factories across international borders so that individual tasks are performed in different countries.
- Three Resource-Based Industrialization (RBI) preferred growth paths towards industrialization in the region – agro-processing, minerals beneficiation and industry and service-driven value chains.
- Identify and prioritize entry points into value chains.
(i) Cross-Border Participation
(ii) The region is involved at the lower segment of value chains while focus should be on enhancing participation at the upper end and diversification into new high-productivity activities.
(iii) Hub-and-Spoke Value Chains
(iv) Remoteness
(v) Scale
The four stages of Value Chain Policymaking

- Identify potential Value Chains
- Assess opportunities within a specific chain
- Pinpoint bottlenecks and supply weaknesses
- Design and implement appropriate policy interventions
Value Chain Criteria for Selection

1. Growth Potential
2. Availability of and Access to Resources
3. Levels and Segments of Participation
4. Upgrading Potential
5. End Markets and Market Access
6. Competitiveness
7. Complementarity
8. Potential for Embeddedness
Priority Value Chain Clusters

i.  Agro-processing
ii. Minerals beneficiation
iii. Pharmaceuticals
iv. Consumer Goods
v.  Capital Goods
vi. Services

Note:

Not designed to prescribe value chains for Member States to prioritize and promote, but highlights value chains with demonstrable potential to deepen regional integration by boosting intra-regional trade and cross-border investment flows.
## Country participation in Products and Sectors in SADC with Potential for Value Chain enhancement

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Notes: *= priority value - chains in SISR Operational Plan (2018/19)
Progress in VC Development

• Profiling of the pharmaceutical and mineral sectors were undertaken during the 2015/16 financial year

• Agro-processing profiling – validation 1/4/19, Johannesburg

• Aquaculture profiling – procurement nearly done

• Pharmaceutical pre-feasibility study - procurement nearly done

• RVC investment projects development
CHALLENGES TO RVC DEVELOPMENT

• Variable geometry
  – Readiness of Member States
  – VC entry points

• Availability of and Access to Resources
  – Intra-trade in raw materials vs trade-offs in manufacturing
  – Availability and cost of inputs
  – Skills
  – Finances

• Market Availability vs Market Access
  – Regional preference (buy SADC)
  – Logistics
Enablers and Instruments of Success

- Protocol on Industry
- Industrial Development Agencies and DFIs
- Manufacturing Incentives and Industrial and Energy Efficiency.
- SADC Industrial Infrastructure Masterplan (Sites and Premises programme)
- National MSME Policies
- Public Procurement Acts/Legislation (Local and Regional Sourcing)
- Appropriate Investment Incentives plus Special Economic Zones
- SACU Provisions-Policy Space Instruments and Industrial Rebates
- Standards
- Public Investment in Generating Knowledge e.g.
  Joint Value Addition Committee on Mineral Beneficiation
Thank you

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