



TIPS FORUM 2017

INDUSTRIALISATION AND SUSTAINABLE GROWTH

Manufacturing sector in Namibia

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Outline

1. Introduction
2. Study Objectives
3. Background trend to Namibia manufacturing sector
4. Conceptual framework
5. Critical factors hampering the manufacturing sector in Namibia
6. The concept of value chain analysis
7. Findings and recommendations

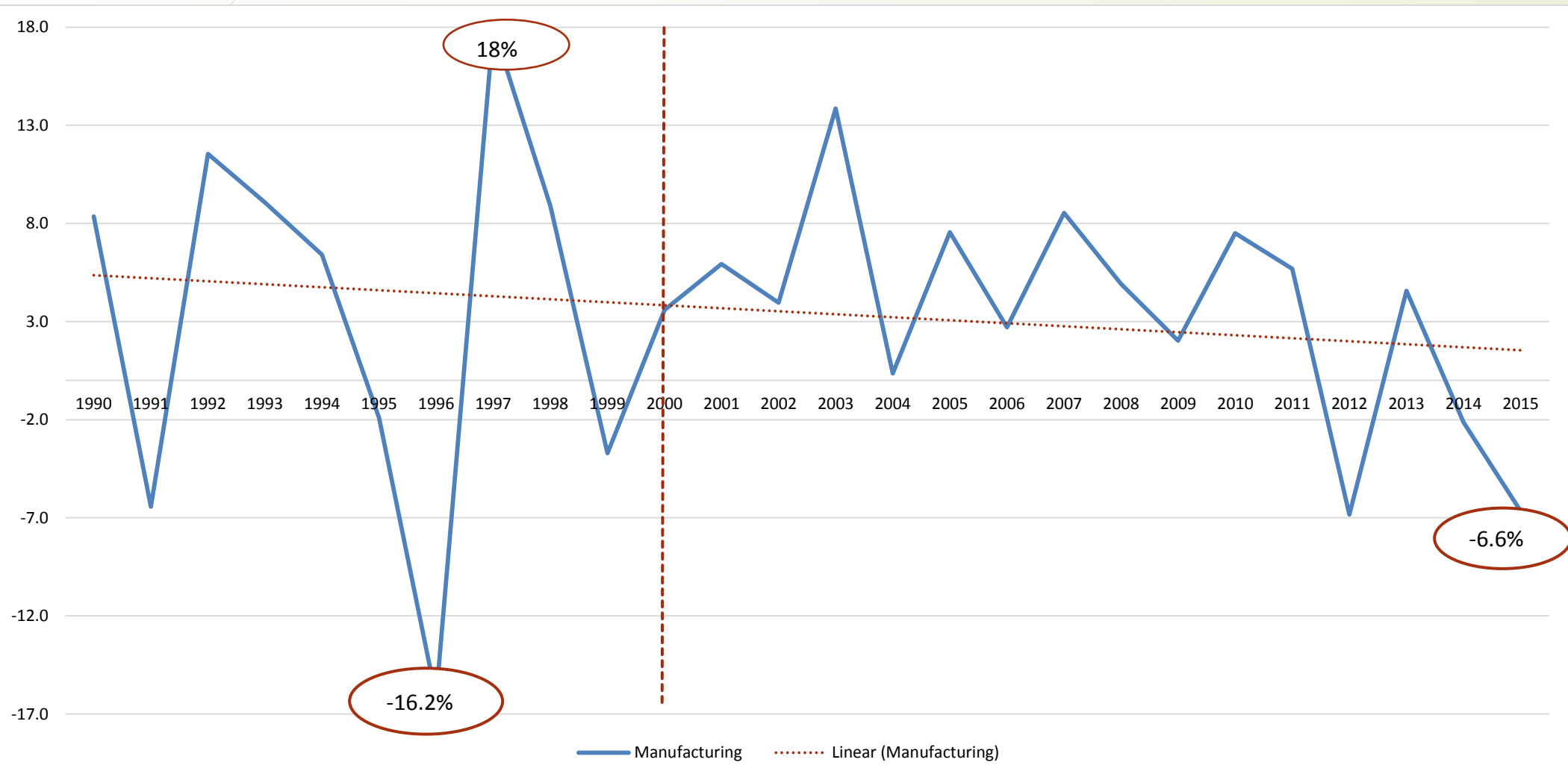


Intro' and objectives

- ▶ Three main industries:
 - ▶ Primary, tertiary and secondary industry.
- ▶ Vision 2030
 - ▶ GDP 6%, manufacturing 7% p.a
 - ▶ manufacturing sector growth (averaging 3.4 % (1990 – 2015))
- ▶ objectives:
 - ▶ Identify the factors that are hampering the manufacturing sector growth in Namibia.
 - ▶ Identify various value chains in the manufacturing sector.
 - ▶ which of the sectors in the manufacturing industry employ more people.

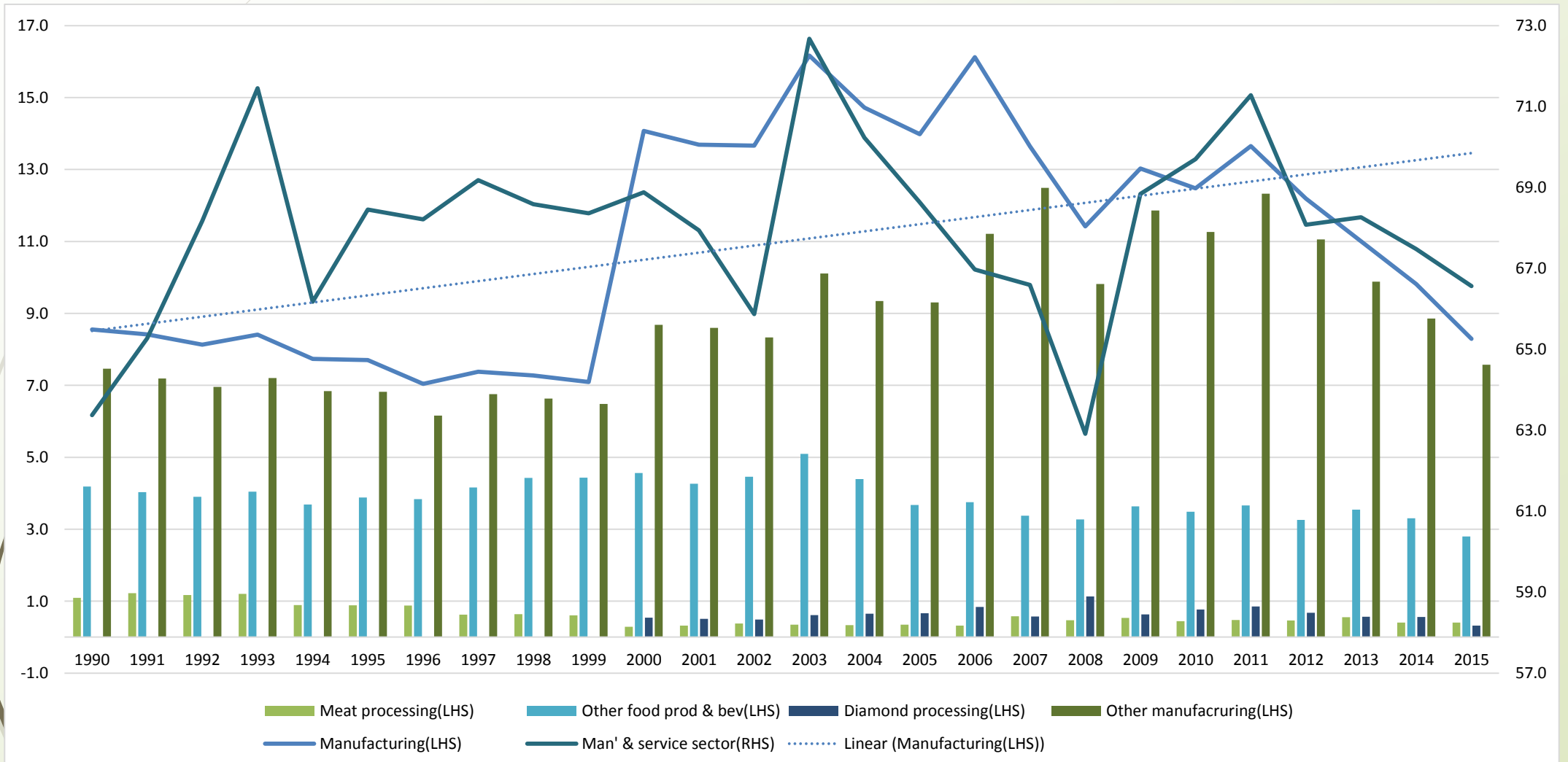
Background

Figure 1: Growth in the Manufacturing sector (%) (1990 to 2015)



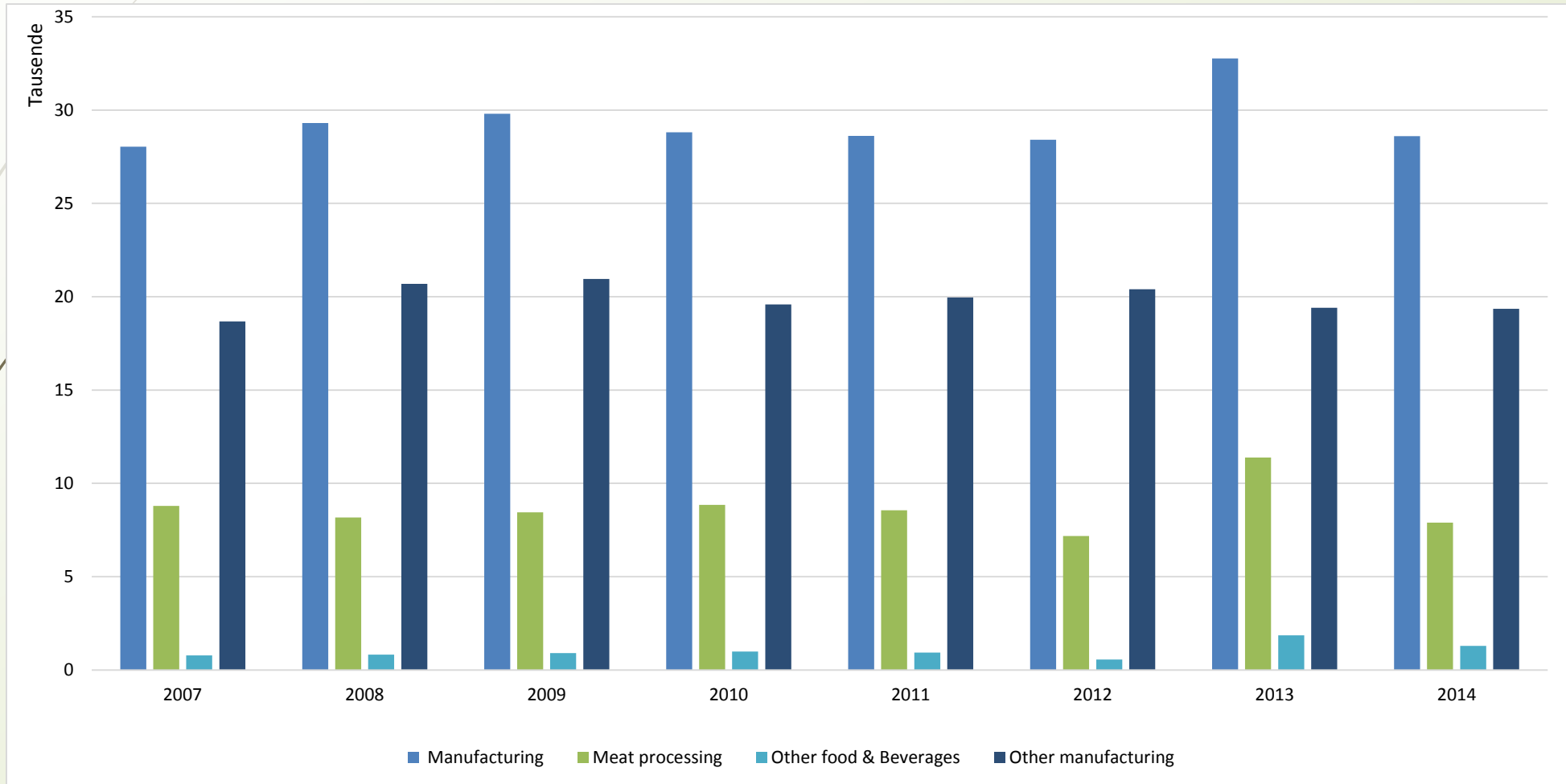
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Figure 2: Manufacturing - % contribution to GDP (1990-2015)



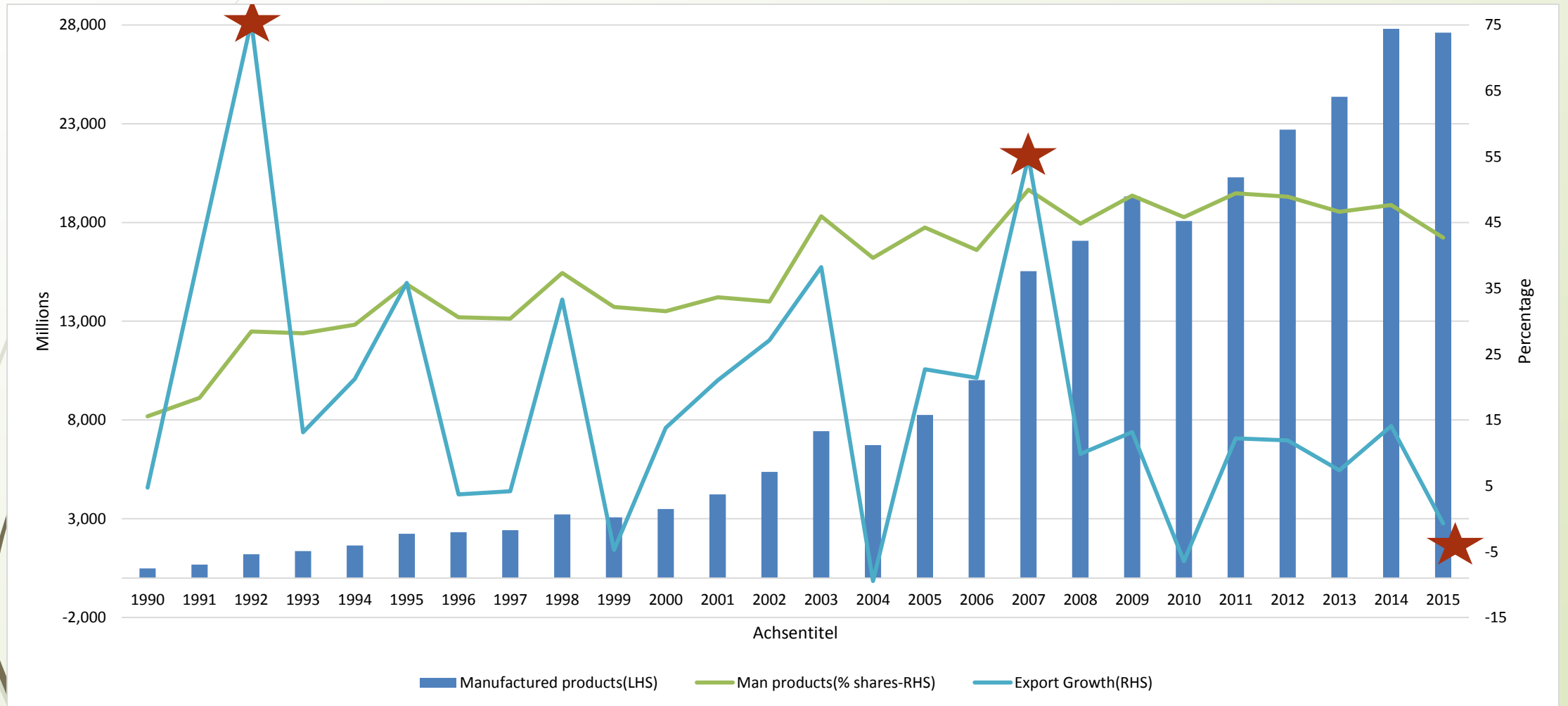
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Figure 3: Employment in the Manufacturing sector (2007 to 2014)



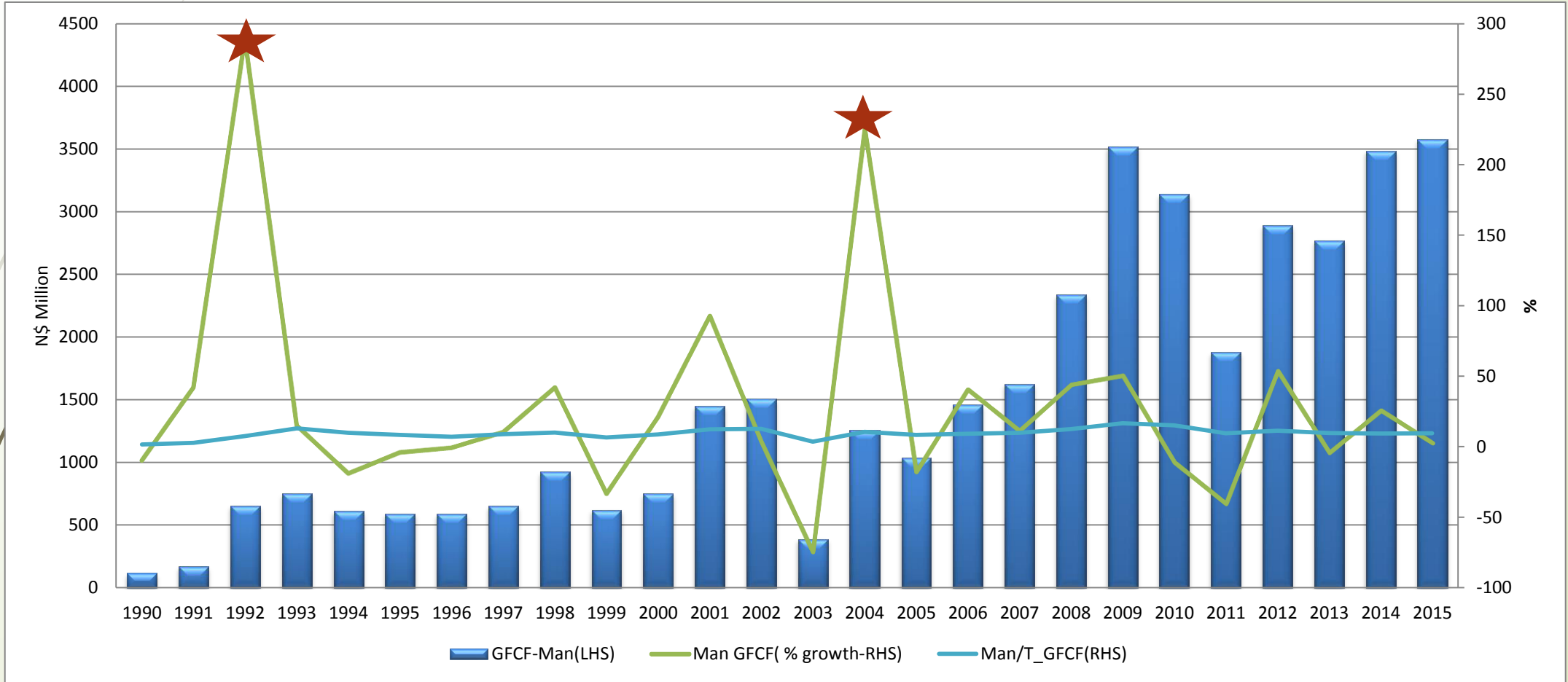
Background

Figure 4: Exports of manufactured products (1990 to 2015)



Background

Figure 5: Gross Fixed Capital Formation in the manufacturing sector (1990 to 2015)





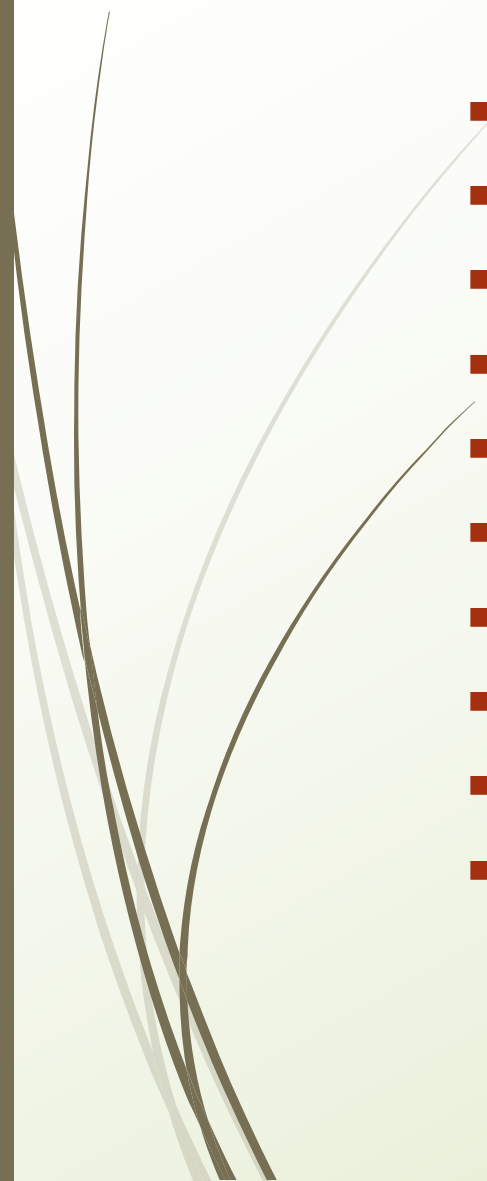
Literature review

- ▶ Kaplan (2007) ,Kadhikwa & Ndilikokule (2007) and NMA) (2007
- ▶ Industrial development in Namibia
 - ▶ SADC industrial strategy and roadmap -2015
 - ▶ 1992 White Paper on industrial development
 - ▶ Foreign Investment Act of 1993
 - ▶ Vision 2030 of 2004
 - ▶ Industrial Policy 2012
- ▶ Manufacturing incentives
 - ▶ Registered Manufacturers Scheme
 - ▶ Exporters Incentive regime
 - ▶ Export Processing Zones (EPZ) regime



Literature review

Critical factors hampering the manufacturing sector in Namibia

- 
- Access to finance
 - Access to land
 - Investment incentives
 - Manufacturing status
 - Cost of Utilities
 - Investment & Competition
 - Corruption
 - Skills shortage
 - Procurement of locally produced products
 - unfair trade practices



Value chain



- ▶ Value chain exist in the following sectors:
 - ▶ Mining sector- Diamond cutting & processing
 - ▶ Agriculture -Process hides and skins
 - ▶ Fishing- Canned fish and Seals products



Findings and recommendations

- Downward performance
- Below vision 2030 target and NDP4 targets
- Decline in exports of manufacturing products
- Factors affecting the manufacturing sector in Namibia
- Value chain do exist in Namibia
- The following is recommended:
 - MITSMED and MoF – align the definition for manufacturer
 - Effective VAT refund system
 - Fast track the Implementation of the procurement bill, draft investment incentive regime and retail charter
 - Improve skills
 - Need for diversification in the sector



Thank you!