



**REPUBLIC OF NAMIBIA
OFFICE OF THE PRIME MINISTER**

STATEMENT

BY

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AT THE

**OCCASION OF THE INAUGURAL AFRICAN ECONOMIC
PLATFORM**

Plenary Panel 3: Competitiveness of the African Private Sector

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- Director of Proceedings
- Your Excellencies Heads of State and Government
- Right Honourable Pravind Kumar Jugnauth, Prime Minister and Minister of Home Affairs, External Communications and National Development Unit, Minister of Finance and Economic Development
- Right Honourable Prime Ministers
- His Excellency Moussa Faki Mahamat, Chairperson of African Union Commission
- Honourable Ministers
- Distinguished Delegates
- Ladies and Gentlemen

It gives me pleasure to represent the Head of State and Government of the Republic of Namibia at this inaugural launch of the African Economic Platform. Let me also join fellow delegates to express our sincere appreciation to the Government of Mauritius for hosting this important event. The pristine beauty of the setting at our venue is creating a conducive atmosphere to inspire us to devise innovative ways and means to increase Africa's prosperity.

Africa, has been for the past years, experiencing unprecedented economic growth, and African Governments are required to support the transformation of the continent by improving the quality of that growth, and by making it shared and more sustainable. This economic progress was not created by our Governments, but to a large extent by the expansion of the private sector. A vibrant private sector is both an engine of growth and an agent for

development through eroding poverty, strengthening communities and societies, and providing services for all. It should be our vision for the private sector growth to continue driving African growth.

However, the prevalence of the private sector in African growth must be seen in context. The public sector still needs to create an environment in which the private sector can thrive and the two must work together and not against each other to deliver services and opportunities.

African business offers both a potential blessing and a potential curse. Fifteen million new job seekers enter the African market annually. When employed, they will produce and subsist, but when trapped in unemployment, they will become a threat to themselves and society.

It is African businesses that will create African jobs, by training and using African talent, and by developing the potential of services and industries, through the sustainable management and prudent use of Africa's considerable natural resources. This will plough the dividends of enterprise back into the lives of Africans and African societies. The private sector can also deliver services to society's most vulnerable people, if it is properly regulated and responsible.

But, the private sector still faces many obstacles in Africa. These include inadequate government regulation, restrictive policies, poor infrastructure (particularly in power and transport), severe skills shortages and mismatches between employers' needs and available workers (particularly those just out of school), trade restrictions, tariff and non-tariff barriers to African exports,

difficulties in obtaining medium- and long-term finance on affordable terms, and a large informal sector. Private sector growth in Africa has often been uneven, and exploitation of natural resources – the continent’s largest source of growth – has failed to create enough new jobs.

Given the private sector’s growth potential, on the one hand, and the challenges it faces, on the other, there is a need to fundamentally change our thinking on how best to harness the private sector’s role in generating more business. At the same time, we need to shape the private sector to achieve our objective of inclusiveness. That means, growth and opportunities should be shared by all – women and men, young people and old, rural communities and urban, multinationals and indigenous firms, large and small business. Equally, we must make the gradual transition to green development, as Africa is committed to moving toward environmentally sustainable growth.

Our strategic interventions to leverage the private sector as an engine for the structural change should, in my humble view, be built around three strategic pillars.

First, the strategy should aim to improve Africa’s investment and business climate through strengthened laws, policies, tax systems, rights, regulations and procedures that govern business. This also means fighting corruption, promoting financial transparency, and further developing the formal sector. We must also improve the planning and execution of our infrastructure investments, deepening and expanding the financial and capital markets,

strengthening the labour markets, and building the business skills of young people and entrepreneurs.

Second, since the wide infrastructure gap in Africa is limiting national, regional and international trade, our Governments must expand business access to social and economic infrastructure. ‘Hard’ infrastructure includes transport, telecommunications, water, power systems, and fixed assets needed to provide education, health and sanitation, and ‘soft’ infrastructure, which includes legal and regulatory frameworks, payments clearance and settlement systems, financial intermediaries and capital markets, collateral registries, and skills development are prerequisites for business as much as for society.

Third, we must promote enterprise development by helping business gain access to finance, building its skills, and helping to add value to its activities. This involves providing financing for small businesses, youth enterprises and business start-ups. We must be able draw the greatest benefit from our raw material products by ensuring that primary resources are managed sustainably and used efficiently, and that downstream stages of processing and production in key areas, such as extractive industries, forestry and fishing, are optimised.

Before concluding, allow me to share my vision for promoting intra-regional investments and export value chains to optimise the benefits of regional supply chains. Intra-regional trade in Africa would certainly benefit from improved regional infrastructure, regional financial sector integration, cross-border investments, elimination of non-tariff trade barriers, more robust IT

interconnectivity, improved border efficiencies, harmonising quality assurance and certification standards, and facilitating labour mobility.

Director of Proceedings,

I conclude with these remarks, in the hope that they have stimulated the appetite for further contributions to the theme of the African Private Sector.
