



REMARKS

BY

HON.TOM ALWEENDO,

MINISTER OF MINES AND ENERGY

AT THE

ANNUAL GENERAL MEETING OF THE

CHAMBER OF MINES OF NAMIBIA,

SAFARI HOTEL,

24 APRIL 2018.

- **The President of the Chamber of Mines, Mr. Johan Coetzee;**
- **The CEO, Mr Veston Malango;**
- **CEOs, MDs and Managers of the various mining and exploration companies in Namibia, International and Local Investors;**
- **The Deputy Minister of Mines and Energy Hon. Kornelia Shilunga;**
- **The Permanent Secretary, Mr. Simeon Negumbo and staff of MME;**
- **Distinguished guests,**
- **Members of the Media,**
- **Ladies and Gentlemen,**

Good Afternoon,

This is the first time for me to address the Annual General Meeting of the Chambers of Mines as Minister of Mines and Energy. I am indeed delighted to be with you this afternoon and I do value the contribution the Chamber of Mines have made and continue to make in enhancing the societal benefits from the sector.

Mining is likely to be one of the oldest industries to have ever developed in Namibia. It is therefore important to note that the mining sector is an important part of our economy. Historically mining did play an important role in the socio-economic development of the country.

Not long ago Africa's mineral wealth has for decades been a major source of wealth creation and power for multinational companies and the African ruling class. Despite having abundant natural resources wealth, this wealth has not always been inclusive. In many African economies the economic gains from the natural resources are skewed towards private companies and this skewedness affects the revenue potential that Governments could derive from the extractive industry.

The wealth in natural resources is an important driver of our economic development can contribute to poverty alleviation. But if

not managed properly, it can lead to social and economic inequalities and potentially increase conflict. This is evident in many resource-rich countries that are confronted with the reality of the “resource curse”, where ineffective policies governing the extractive industry and corruption have exacerbated the cycles of poverty and inequality.

In my remarks today I want to talk about my ambitions for the mining sector of tomorrow – what I would like to see happening in the mining sector in the future. But as they say, if you want to take care of tomorrow, take better care of today. In other words, what we want to see tomorrow must be done today. There are three things that I will pay special attention to during my tenure as Minister of Mines and Energy.

The first thing that I would like to see is an increase in investment in the mining sector. I am convinced that the mining sector can play an increased role in economic development when we discover more minerals. More employment can be created when we are able to open more mines. Socio-economic empowerment can be more assured when more and more people are employed in the sector.

But for this to be realized a couple of things need to happen. Among the things that must happen is where we need to ensure

that our mineral legislation is sufficiently attractive to inspire new investment. It is also important to make sure that our regulatory framework is clear and comprehensive in such a manner that investors are clear as to what is required of them. Additionally it is necessary that the legal framework in place is fully enforced in an even-handed manner. In this respect I am happy to note that the current Mining Act is under review and it is my undertaking that such review is expedited and that it be finalized before the end of this year.

The second ambition I have for the mining sector is the strengthening of the value chain management. It is a fact that the mining sector will play an even bigger role in our socio-economic development when we strengthen the value chain management in the sector. This can be done in two ways – namely to strengthen the local linkages between the mining companies and the local entrepreneurs with regards to the supply chain demand; and to add as much value as possible to the minerals that we are mining. If we were to succeed in doing that, we would have successfully integrated the mining sector with other sectors of the economy. This will build resilience in the local economy and will contribute to structural economic transformation.

I am fully aware that this is a topic that have occupied our attention for some time now. You will recall, for example, that a value-

addition committee, consisting of representatives from the Chamber and Government was established to look into this issue. I am informed that some studies have been conducted and that some recommendations were made.

It is my view that this is an important aspect that can enhance the importance of the mining sector; and as such it needs to be concluded. It is my wish that the value-addition committee will conclude its work sooner rather than later.

Just imagine where a significant percentage, say 90%, of the input in the mining sector, excluding heavy mining equipment, is sourced locally. Imagine a case where a number of small and medium enterprises are created because of the mining sector. In this manner the mining sector would have made a huge contribution to our sustainable development path and also would have contributed to the noble goal of a shared prosperity in our society.

The third area I will pay particular attention to is that of ethical behaviour in the mining sector. Someone once said “Ethics is knowing the difference between what you have a right to do and what is right to do.”

Given the important role the mining sector plays in society, it is of critical importance that all of us in the sector behave in an ethical

manner. It is important that we practice good governance; that we behave and act in a transparent manner. It cannot be acceptable for a Government employee to enforce the Mining Act in a corrupt manner. It should be an abomination for a mining company not to pay its taxes that are due to the Government. It should be condemned by all of us where a mining company carries out its operation not in accordance to the mining legislation.

It cannot be an acceptable behaviour when employees of mining companies are not concerned about their productivity, or where mining companies provide poor working conditions to their employees. You will agree with me that Namibia will be the winner when both employers and employees strive to create a harmonious relationship in the workplace – the alternative is conflict where again Namibia will be the loser.

I am confident that the three areas I have described can be achieved. But that can only be achieved when we work together; when we form strong partnership – a partnership that believes that things work better when we cooperate and collaborate. The alternative is where we act in unnecessary opposition to each other where the likely result is to become a nation of social disharmony and underdevelopment.

As the line Minister responsible for the mining sector, I give you my assurance that I will be a partner to you in making the mining sector one of the key sectors in our economy in the contribution to our socio-economic development agenda. It is my hope that I can count on your support in the execution of my mandate.

We, as a collective, have the power to shape the future and it is my sincere hope that the future we all want to shape is a future where all Namibians share in the prosperity we create.

I thank you and I wish you a successful AGM.