



STATEMENT AT THE CHAMBER OF MINES ANNUAL GENERAL MEETING

By

Hon. Obeth Kandjoze, MP
Minister of Mines and Energy

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WINDHOEK

1. All protocols having been observed, allow me to wish a good afternoon to our Esteemed Guests.
2. Dear Esteemed Guests, allow me to reflect on the various meaning of diamonds. Diamonds stand for wealth. They stand for perfection. They stand for beauty, desire, and accomplishment.
3. In Namibia, diamonds have a much deeper meaning than the description given above. Namibia is not a country that started out with a proverbial “silver spoon” in its mouth, but with the signing of this Agreement, it has a golden spoon in its palms and we will use it to feed the nation.
4. Dear Esteemed Guests, Namibian diamonds boast superior gem quality and are not only a luxury symbol, but a reflection of Namibia’s mineral wealth.

5. Namibia has extensive diamond deposits, and we have a very favourable legislative and fiscal environment which encourages the diamond industry to thrive.
6. The favourable legislative and fiscal environments have created a conducive environment for the Namibian mining industry to show resilience and continue to thrive during the global downturn coupled with the decline in commodity prices.
7. As a testament of the abovementioned, in 2014, the Report by The Fraser Institute, a Canadian Survey Institute, ranked Namibia as the most attractive mining investment destinations in Africa. It is vital that we continue to keep Namibia on the map, especially during the depressed commodity prices period, characterised by financial volatility, deteriorating industrial relations and escalating costs.
8. With the signing of this Diamond Sales and Marketing Agreement, Government is acknowledging that Namibian

diamonds hold strategic developmental and economic importance.

9. This Diamond Sales and Marketing Agreement is a 10 year Agreement for the sale and distribution of Namdeb Holdings' rough diamonds and is the longest ever agreement between the partners. The tenure of the Agreement demonstrates the long term confidence to market and distribute Namdeb Holdings' rough diamonds.
10. Firstly, the primary benefit of signing this Agreement is that it will pave the way for an increased supply of rough Namibian diamonds to the local diamond manufacturing industry.
11. For the first time in the history of Namibia, Namdeb Holdings' will supply diamonds of all sizes, shapes and qualities to the Namibia Diamond Trading Company's (NDTC) customers and this will allow local diamond cutting and polishing factories to operate at full capacity, create more jobs as well as to enhance their profitability and sustainability.

12. With this Agreement, Government is seeking to make a meaningful contribution towards local beneficiation of our diamonds. The value of rough diamonds made available to NDTC customers for in-country beneficiation in Namibia will rise to US\$430 million (N\$6.73 billion) annually.
13. Secondly, the other benefit of the Agreement is that the Government has established a 100% wholly owned company called Namib Desert Diamonds (Pty) Ltd (to be known as NAMDIA).
14. NAMDIA will distribute up to 15% of Namdeb Holdings' total production and will serve as a Diamond Sales and Marketing Company that will be used as a window on the market to find out what the international market is willing to pay for our highly rated rough Namibian Diamonds.
15. The name Namib Desert Diamonds was inspired by the fact that the Namibian diamonds are predominantly mined from the

mouth of the Orange River up to the coast and into the Namib Desert. Namib is of Nama origin and means "vast place".

16. At this point, allow me to thank De Beers for playing a significant role in imparting its industry knowledge, expertise and experience. We are thankful for its role in the development of our diamond industry and Government affirms its commitment towards striving for growth and collective leadership in this strategic area of our economy.
17. Dear Esteemed Guests, I wish to point out that a diamond doesn't start out polished and shining. Undiscovered, it remains nothing special, but with enough pressure, expertise and application of skill, it becomes spectacular.
18. Today we are here to celebrate a small commodity with a high concentration of value and its impact on trade, development and prosperity.
19. In 2016, His Excellency the President of Namibia, Dr. Hage Geingob introduced the Harambee Prosperity Plan. The

Harambee Prosperity Plan is a targeted Action Plan to accelerate development in clearly defined priority areas, which lay the basis for attaining prosperity in Namibia.

20. In the spirit of inclusivity, we have placed an advertisement in the various daily newspapers for today and tomorrow, calling for Namibian designers to design a logo which is elegant and visually stunning for NAMDIA.
21. At this juncture, allow me to thank the Government Negotiating Team as well as the De Beers team who worked tirelessly to conclude the negotiations. It is truly a momentous occasion to acknowledge the work done by our patriotic brothers and sisters.
22. Let me draw your attention to the fact that by unleashing the value of Namibian diamonds, we will be contributing towards the achievement of the various pillars of the Harambee Prosperity Plan.

23. In conclusion, I would like to praise the Agreement that we are about to sign for it has been cut and polished to perfection and I now call upon two Directors, each from De Beers Société Anonyme, Namdeb Holdings (Proprietary) Limited, De Beers Global Sightholder Sales (Proprietary) Limited, Namibia Diamond Trading Company (Proprietary) Limited, De Beers UK Limited and one director from Namib Desert Diamonds (Proprietary) Limited to join me in signing the Diamond Sales and Marketing Agreement.

I thank you.