



MINISTRY OF PUBLIC ENTERPRISES

Opening Speech by the Minister of Finance & Public Enterprises at the Official Launch of the Public Enterprises Ownership Policy

The Governor of the Khomas Region, Hon. Laura McLeod-Katjirua,

His Worship the Mayor of City of Windhoek,

Hon. Joseph Uapingene,

The Queen of the /Khomanin clan, Gaos Juliana Gawa-!Nas,

Regional Councilors, stakeholders ladies and gentlemen, good morning and welcome.

Public Enterprises (PEs) constitute a key part of our national life and our national assets. They are central to our developmental and economic agenda. The reform of PEs is part of a broader agenda of transformation in our country.

As you may be aware, Namibia currently owns 81 Public Enterprises (PEs) consisting of commercial, non-commercial and extra budgetary funds.

The Total Asset Value of the all Public enterprises stands at *circa* N\$119 billion and Liabilities at *circa* N\$60 billion, giving a portfolio Net Asset Value of N\$50 billion. Employment count stands at approximately 25 000 employees.

Considering the above and also taking into consideration the recommendations by the High Level Panel on the Namibian Economy (HLPNE) as adopted by Cabinet, it is more than critical to expedite the implementation of this Policy.

Performance of Public Enterprises

It's known the performance of a number of our public enterprises is mediocre; service delivery is ineffective and that affects our national competitiveness negatively whilst being an enormous drain on the Fiscus at a time when the country is experiencing economic difficulties.

Consequently, the Ministry of Finance and Public Enterprises (MPE), in executing its vision to position PEs as key contributors towards sustainable development of Namibia developed the PEOP as part of its transformation agenda.

Purpose of the PEOP

Ladies and gentlemen, the ultimate purpose of state ownership of Public Enterprises is to maximize value for society, through an efficient allocation of resources.

Consequently, the Policy provides the general public and private sector with a clear understanding of the State's overall objectives and priorities as a shareholder of PEs.

The purpose of this Ownership Policy is to achieve the following:

1. Clarify the role of the State and professionalize its role as a shareholder. There is a need for public enterprises to be effective and efficient. Control and ownership of these public enterprises must be regulated, guided and implemented to the fullest extent within the rule of law and policy.

2. To clarify on *why, when and how* the State should own public enterprises
3. To outline measures to ensure sound financial management and sustainability
4. To outline measures to curtail any forms of corruption and other irregularities
5. To outline the roles and responsibilities of the board of directors and management

Implementation of PEOP

For the Policy to be implementable and useful in improving the stance of the representative caretaker, in this case the State, it needs to ensure that the State fulfils the following evidence-based best practice requirements:

1. It needs to follow a principles-based approach based on extensive consultations across stakeholders
2. The Policy is not permanent in its content, but dynamic and needs to be revised every three years.
3. The Policy needs to respond to the Namibian circumstances while drawing from best practices while responding.

State Ownership of PEs

Regarding the State ownership of PEs. The State shall be a professional and responsible owner of PEs that shall at all times act within the confines of the law.

The State shall exercise its ownership function in the exclusive interest of the general public.

Where the State is a co-shareholder, the State shall exercise its ownership in accordance with the principle of equal treatment of shareholders. The State shall be transparent about its ownership and the exercise of the ownership function.

The State shall ensure that public enterprises fulfill their mandates and sustainable. For this purpose, Public Enterprises must maintain transparency and openness.

Finally, we are delighted to inform you that, by instructions from Cabinet and in partnership with the “Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ),” we will be conducting inclusive Regional Stakeholders Consultation Workshops across six regions of the nation, with the aim of discussing the Public Enterprises Ownership Policy.

With these view opening remarks I officially launch the stakeholder engagement exercise throughout the country.