

Background

Namibia: The future trading centre of Southern Africa

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Namibia is a South African country, which gained its independence from the Republic of South Africa in 1990. Today it is a modern democracy, which population is 2.3 million on the surface of 825,418 km² by the side of the Atlantic Ocean. Beside all its natural beauties Namibia is rich in different minerals, like the gem-quality diamond, and also the world's fourth-largest producer of uranium.

Since the beginning of the 2000s Namibia have settled a very fair and friendly business area for foreign investors from all over the world. Maybe the most important action was the joint to the AGOA (African Growth and Opportunity Act) which is a United States Trade Act to enhance market access to the US for qualifying Sub-Saharan African (SSA) countries. By this arrangement the producers from Namibia can export different products, like textiles, crafts etc. duty and quota free into the US. This opportunity makes Namibia very attractive for the foreign investors. The government help this initiative by legal preferences and tax relief beside the all security attempt and social protection, which a modern state is able to provide. Years earlier one Malaysian textile manufacturing company, Ramatex took advantage of this very fair opportunity, exported textile to the US via AGOA and provided livelihood for many locals, but without the proper accountancy their company had to be closed. This shows the difficulty of the developing countries. Trying to provide the fairest opportunities to attract the foreign investors meanwhile developing the rule of law and the legislation becomes more and more specific.

The other specific area of the foreign investments in Africa, is the labour. In Namibia in the foreign companies the foreign experts are allowed to work – said Bernadette Artivor,

secretary of the Ministry of Industrialisation, Trade and SME Development. If any company wants to go to Namibia the facilities are set up in Namibia, but the experts can come from the home country – only the experts. Not who do the tiding. The problem is that the skills are not available in the country – there are only a few experts, who are employed already somewhere else, so you cannot say that only Namibians should be employed, because we are lack of skills yet. This is the requirement for all nations.

The problem of unemployment is urgent in Namibia, so the set-up of new firms by foreign capital is essential, so as the improvement of the education is. As the records of Trading Economics show, from 1997 to 2004 the rate of unemployment was increasing slowly (from 19.5% to 21.9%), but in 2008 it reached highest record of 37.6%, which was a reflection to the depression and the result of the closing Ramatex. In the last years the rate has decreased from this radical level, but still not reached the previous rates. It is still around 28%, which is rather high, but already started the solution for decreasing. So as the National Development Plan 4 was not enough fast, the Harambe Plan was to set up to accelerate and show the progress by quota quarter yearly. By this plan 8-10 thousand jobs are to set up, which is rather effective in a population of 2.3 million.

Although today Namibia is considered as a developing country, facing all kind of problems of theirs, the forming legislations and the fair area for business might make the country the future trading centre of Southern Africa, which is the main aim of the government of Namibia.

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Süveges-Szabó, A., 2016. Namibia: The future trading centre of Southern Africa. *Cultural Relations Quarterly Review*, Vol. 3. Issue 3. (Summer 2016) pp.46–47.

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