

STATEMENT BY THE CHAIRMAN OF NAM-MIC INVESTMENT HOLDINGS (PTY) LIMITED (NAM-MIC HOLDINGS), MR JOHN SHAETONHODI ON THE OCCASION OF THE 10TH ANNIVERSARY OF THE COMPANY.

SATURDAY 15TH SEPTEMBER, 2007

All are agreed that the Namibian economy has been performing well given its apartheid and colonial legacy and the current global downturn. Namibia has enjoyed many years of consistent growth. Much has been achieved since 1990. Unfortunately, the extent to which this growth has been shared equitably amongst all Namibians is not yet adequate for the requirements of a stable, integrated and prosperous society. Accordingly, we need to take additional collective steps in order to achieve our objectives as a nation. I believe that further growth can only be accelerated and sustained if all Namibians are meaningfully integrated into the economy. We need to continue to advance our economic transformation. In this connection we argue for the State to actively lead the development and implementation of a focused and coherent strategy to achieve broad based black economic empowerment and the de-racialisation of the Namibian economy.

We have always believed that the broad-based black economic empowerment strategy is a necessary government intervention to address the systematic exclusion of the majority of Namibians from full participation in the economy.

This intervention is essential to redress the legacy of apartheid. The defining feature of apartheid was the use of race to restrict and severely control access to the economy by black persons. The accumulation process was one of restricted wealth creation and imposed underdevelopment on black communities to ensure that they were, in the main, suppliers of cheap labour. The underdevelopment of black Namibians took the form of progressive destruction of productive assets, deliberate denial of access to skills and jobs, and the undermining of self-empowerment and entrepreneurship. In combination, these policies restricted and suppressed wealth and skill endowments in black communities, thereby structurally inhibiting their participation in a legislatively race-based economy.

At independence, the democratic government we brought in inherited an economy in deep structural crisis, trapped in a low-growth equilibrium, economic exclusion and underdevelopment.

Although the government was given a clear, constitutional mandate by the electorate to redress the inequalities of the past in every sphere, i.e. political, social and economic, the extent to which the majority of black people participate meaningfully in our economy remains far too limited. As much, it is necessary to introduce a coherent and focused strategy for broad-based black economic empowerment. We call on government, as we hereby do, to introduce this strategy and to re-orient many of its incentives and enterprise support measures to promote, broad-based black economic empowerment. We submit that the systematic dispossession and disempowerment of black people that has defined Namibia for so long requires an equally systematic response from government in order to achieve redress, particularly in the context of globalization and the need for accelerated economic growth to eradicate poverty in our country.

It is our firm conviction that a more equitable economy will benefit all Namibians, individuals and enterprises. In order to grow our economy, more enterprises are needed to produce value-added goods and services, to attract investment, to employ more of our people in productive activities. Thus, the core component of the BEE strategy is the creation and nurturing of new enterprises

undertaking new forms of economic and value-adding activities. We seek in BEE a new vitality in our economy by facilitating new entrants to all aspects of the economy. This undertaking and conviction inspired the leadership of the union movement to embark upon a process aimed at empowering groups that had been negatively affected by the previous system of apartheid.

In 1997 the National congress of the Mineworkers Union of Namibia (MUN) through its visionary leadership, of actively participating in the development and restructuring of the Namibian economy adopted a resolution to establish an Investment company which will be an autonomous business wing of the union.

The National Executive Committee of MUN created the Namibia Miners Trust (NAMIT) with beneficiaries defined as current and ex-mineworkers, energy and ex-energy workers, their dependants and the communities they hail from.

The primary objectives of the trust are inter alia:

- ✓ to improve and uplift the quality and standard of life of the beneficiaries,
- ✓ to ensure NAMIT becomes a wealth creating entity on behalf of beneficiaries,

- ✓ to re-invest proceeds from Nam-mic into social programs,
- ✓ to provide development projects for mine workers, ex-mineworkers, energy and ex-energy workers,
- ✓ to provide projects to enable mine & ex-mineworkers and energy & ex-energy workers to engage in other form of economic advancement, to mention but a few.

On the 15th July 1997 Namibia Mineworkers Investment Company (NAM-MIC) was incorporated under the laws of the Republic of Namibia.

The company commenced its business operation on the 1st September 1997 with a pioneering MD Mr. Jacob Nghifindaka with a vision to become a dynamic commercial player in the economic development of Namibia through a process that is participatory, equitable and sustainable.

Since the establishment of the company, it had grown into a formidable force and group of companies in the Namibian market. The company had succeeded in investing in various portfolios ranging from, Property and Infrastructure development, Engineering, Mining, Medical Aid, Communication, Travel and Transportation, Financial Services, Catering etc.

From 1997 to 2006 financial year we managed to create a balance sheet of N\$52 million and our budgetary forecast is to grow it to N\$100 in the not too distant future in general and 2007 specifically.

Nam-mic declared dividends to the trust and subsequently 25 bursaries had been awarded for fulltime and part time studies in fields such as Law, Accounting, Computer Science etc.

Nam-mic invests in any sector where its involvement benefits mine and ex-mineworkers and energy and ex-energy workers and their dependants, but Black Economic Empowerment transactions remain a daunting challenge.

BEE company lack capital to invest and are always experiencing obstacles regarding equity participation and Nam-mic is no exception.

One way of addressing the abovementioned problem is to identify credible and visionary partners to enter into joint ventures.

Nam-mic had indeed identified such credible and visionary partners and hence had formed significant partnership.