



**Report:
Namibia AGOA strategy development**

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And Harry! Gonteb, Conference Facilitator
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Purpose of the Trip

The purpose of the trip was to facilitate the first National AGOA Strategy Workshop for Namibia that took place in Windhoek, April 28-29th, 2003. It was well attended by delegates from private industry, government ministries, NGOs and business service organizations. Opening remarks by the U.S. Ambassador, H.E. Kevin McGuire, and the Deputy Minister for Ministry of Trade and Industry, Mr. Bernhard Esau, emphasized the importance of formulating a strategic plan whereby Namibian companies take advantage of export market opportunities on a regional and international basis, including the U.S. under AGOA. Namibia is a small country with a sound infrastructure and fairly diversified product base.

Several companies selling goods to regional and international markets that are keen on penetrating the U.S. market under AGOA include MEATCO and the Namibian Grape Company. The two firms are working to get their products certified under stringent SPS requirements.

One recent export success is the Namibian breweries company that signed a contract with Trader Joes on the West Coast to supply Windhoek Lager to the U.S. market. Harry! Gonteb, conference facilitator and private businessman, prepared the market study for the brewery company. Other smaller companies representing fisheries, handicrafts, gemstones etc. are keen on learning how to sell to foreign markets; and how to locate buyers for their products.

Highlights of Workshop Outcomes

A national AGOA working group was established and that committee is charged with two key strategic objectives – see Workshop Report attached.

There was unanimous agreement that a serious void exists in the area of export and trade promotion. The government lacks institutional capacity and resources to help exporters “market” their goods and services in foreign markets. Namibia does have an Investment Promotion Center that is quite active in FDI promotion. The representative of the Ministry of Trade and Industry said she received a proposal for creation of a new National Export Promotion Board last year; and the National AGOA Working Committee may find it useful in their deliberations. She also acknowledged other countries with successful promotion boards that perform this function; and mentioned that it is long overdue in Namibia. One of the main workshop action plan items is to create a National Board in the next 1-3 months – see Workshop Report attached.

Another key action item agreed to by the working group was the need to identify export-ready companies and those companies with high export market potential. A checklist for determination of company export-readiness is attached to this report.

In the case handicrafts it was suggested SMEs band together in a “group marketing” approach to selling products on a regional and international basis. Namibia has diverse

handicrafts, including hand-loomed products and artifacts of high quality with substantial export market potential. Other sectors with high export potential include: fisheries (although dominated by sales to the Spanish market), gemstones, leather, meat, table grapes and dates.

During the workshop deliberations another important fact emerged. The Ministry of Trade and Industry may lack institutional capacity to put Namibian products on the map but it does provide companies with fiscal incentives. Many businesses are unaware of these programs. There needs to be greater information exchange between public and private sectors. Examples of incentives offered include: manufacturer's incentives (with tax relief provided to exporters operating in Export Processing Zones (EPZs)); foreign government procurement funds (for companies purchasing equipment to expand industrial operations provided); and foreign investment incentives for companies establishing joint ventures with firms outside Namibia. The MTI also provides financial assistance to companies attending trade fairs – in the form of matching funds to cover up to 50% of their costs.

Another important point raised during the workshop is sanitary/phytosanitary (SPS) requirements and technical barriers to trade (TBTs) and their impediment to advancing agricultural exports. The formidable task of qualifying table grapes and meat products for U.S. market sales has been underway for a long time. USDA-APHIS has not yet scheduled meat plant inspections for MEATCO and pest risk analyses for table grapes are pending. The process is painfully slow and the National AGOA Working Group will explore ways to expedite this process. COMESA – of which Namibia is a member – has a representative in Washington, DC who is “lobbying” USDA and members of Congress on streamlining this process and encouraging USDA to be more responsive to African government/private sector applications.

Next Steps and Timing

USAID Namibia was pleased with the outcome of the first workshop. They have requested a copy of the Workshop Report. During the debriefing session with Diane Swain, USAID Mission Director and Ali Ipinge, Private Sector Coordinator, it was suggested we focus on these next steps immediately:

- Work with APHIS and USDA to certify grape and beef products for US market sales
- Organize a workshop in collaboration with Sigma One on handicrafts and Grouping 9 products in August 2003. This event will take place in the Northern region at the same time local trade fairs are planned.
- Help producers in other sectors sell product to market through trade fairs and business-to-business marketing events.

Workshop Program

Day One:		
Time	Activity	Facilitator
0730–0800	Tea and Registration	<i>Workshop Secretariat</i>
0800–0830	Introductions  <i>Participant Introductions</i>  <i>Stakeholder Expectations</i>  <i>Workshop objectives and expected outputs and outcomes</i>	Mr. Harry !Gonteb – <i>Conference Rapporteur</i>
0830–0900	Opening Remarks	His Excellency Kevin McGuire <i>US Ambassador</i> Honorable Benhard Esau <i>Deputy Minister</i> <i>MTI</i>
0900-1000	Presentation and Discussion <i>Overview of AGOA Developments and Market Opportunities</i> <i>Namibia Government’s Focus, Policy initiatives and Priorities under AGOA</i>	Mrs. Kathleen Charles <i>AGOA/Business Development Advisor</i> <i>SAGC Hub</i> Mrs. Mwanyangapo <i>International Trade Policy Director</i> <i>MTI</i>
1000-1015	TEA BREAK	
1015-1200	Achievements in Export Markets: Case Studies of Success stories in Namibia <ul style="list-style-type: none"> • <i>Factors contributing to success</i> • <i>Share lessons learned</i> 	<u>Panel Discussion-Chairperson</u> <u>Names:</u> Mr. Jurgen Hoffman Trade Advisor
1200-1300	Presentations and Panel Discussions <ol style="list-style-type: none"> 1. <i>Government’s focus, policy initiatives and priorities under AGOA</i> 2. <i>Private sector interests in AGOA - Policy and capacity concerns</i> 3. <i>Challenges and constraints in accessing markets and opportunities under AGOA</i> 4. <i>Competitive advantage and the value chain-regional business linkages.</i> 	1.MTI 2.NCCI 3.MOF (Customs) 4.IESC/ALINC
1300-1400	LUNCH BREAK	
1400-1430	Summary of Key Strategic Issues	Mr. Harry !Gonteb – <i>Conference Rapporteur</i>

1430-1530	AGOA Strategic Issues /Priorities <ul style="list-style-type: none"> • National policy issues • Key products and sectors for AGOA market opportunities • Programs needed to maximize Namibia's ability to exploit opportunities under AGOA I & II • Businesses and regional business linkages • Challenges for small businesses • Namibia's capacity to effectively exploit opportunities under AGOA 	Parallel Group Work (4/5Groups) <i>Areas for discussion here determined by the morning discussion</i>
1530-1545	TEA BREAK	
1545-1800	AGOA Strategic Issues /Priorities (Continued) <ul style="list-style-type: none"> • National policy issues • Key products and sectors for AGOA market opportunities • Programs needed to maximize Namibia's ability to exploit opportunities under AGOA I & II • Businesses and regional business linkages • Challenges for small businesses • Namibia's capacity to effectively exploit opportunities under AGOA 	Parallel Group Work (4/5Groups) <i>Areas for discussion here determined by the morning discussion</i>
Day Two:		
0800-0830	Recap Day One <i>Workshop Rapporteurs</i>	Mr. Harry !Gonteb – <i>Conference Rapporteur</i>
0830-1000	Plenary Session ☞ <i>Group Presentations of Action Plan</i> Group Report Back Session	Choose a chair from the participants (Private Sector)
1000-1030	TEA BREAK	
1030-1200	Plenary Session ☞ <i>Group Presentations of Action Plan</i> Group Report Back Session	Choose a chair from the participants (Public Sector)
1300-1400	LUNCH BREAK	
	WAY FORWARD <ul style="list-style-type: none"> • <i>Where do we go from here?</i> • <i>Commitment for action</i> 	<i>Chairman of the AGOA National Working Group</i>
1500-1515	Closing Remarks	Mrs. Kathleen Charles SAGCH
1515-1530	TEA and Departure	

REPORT ON THE RESULTS FRAMEWORK OUTPUT DERIVED FROM THE FIRST NATIONAL AGOA STRATEGY WORKSHOP IN NAMIBIA

April 28-29, Windhoek

Introduction

During a visit to Namibia by the Southern Africa Global Competitiveness Hub AGOA Implementation Advisor, Kathleen Charles in February 2003, it was decided the Namibian business community would greatly benefit from a series of workshops designed to enhance export capacity for sales of goods and services to regional and international markets. Discussions with key stakeholders -- Ministry of Trade and Industry, the National Chamber Commerce & Industry, the Overseas Development Corporation, GTN, USAID and the US Ambassador, Kevin McGuire -- resulted in unanimous agreement that timing for these deliberations is crucial given expanded AGOA market opportunities and pending negotiation of the SACU-FTA. It was agreed to work as a team on implementation of action plans resulting from these workshops that will enable companies to better position products and services in new foreign markets.

The outcomes of the first strategy development workshop were:

1. Collective engagement of private businesses and business service organizations in Namibia
2. Identification of challenges and constraints in production capacity facing SMEs in each sector – assess training needs
3. Development of a national strategy for taking advantage of AGOA
4. Start locating potential partnerships with US companies resulting in capital investment, technology transfer and acquisition of modern machinery.
5. Identification of institutional development and capacity building needs for export promotion activities
6. Identification of technical capacity gaps related to supply-side constraints.

Develop of a comprehensive capacity building program for companies that have greatest export potential.

Results:

As a result of stakeholder deliberations an AGOA National Working Group was established to implement an action plan with twin objectives 1) To create a National Export & Trade Promotion Board that effectively represents government and private sectors. There was unanimous agreement by the all stakeholders present, that there is a void with the institutional capacity to promote Namibian exports. 2) To identify and fast-track companies that are export-ready and provide assistance to companies with high export potential.

Objective 1

The primary mandate of this National Export and Trade Promotion Board would be to promote Namibian exports on a worldwide basis; and to provide advisory services to companies in key sectors in Namibia. According the Ministry of Trade & Industry, the fast-track creation of the National Board will support the SACU-FTA negotiation that commences June 2003.

Therefore, it was agreed that an Interim Trade & Export Promotion Board would be established 1-3 months from the beginning of May 2003. The Terms of Reference for the creation of the National Board including its institutional structure and sources of finance will be determined by the AGOA National Working Group.

The key trade issues that will be addressed by the National Board encompass the following:

1. Enhance private sector competitiveness through developing programs to address supply-side constraints, capacity building, and lack of access to finance.
2. Build capacity within government institutions to address Technical Barriers to Trade (TBTs) including quotas, tariffs and stringent SPS compliance requirements.
3. Identify products with comparative and competitive advantages.
4. Identify opportunities for product development and value-added exports.
5. Package investment incentives designed to enhance export competitiveness
6. Establish joint-venture partnerships with foreign investors looking to benefit from investment incentives applicable to exporters.
7. Enhance production capacity of the private sector through group marketing of exports, particularly SMEs, with the view to make them more competitive regionally and internationally.
8. Provide technical assistance and training to the private sector including technology transfers and enhancement of managerial capacity.
9. Create business linkages coupled with market intelligence to help Namibian companies position products and services in new export markets on a regional and international basis, particularly the U.S. market under AGOA.

Representatives of the Namibia AGOA National Working Group include officials from the following organizations and private companies:

1. Ministry of Trade & Industry
2. Ministry of Finance
3. Ministry of Agriculture
4. Namibia Chamber of Commerce & Industry
5. Namibia Manufacturers' Association
6. Agricultural Boards
7. Namibia Black Fishing Industry Association
8. Namdef/ADF
9. United Africa Group

10. Kalahari Holdings
11. Etuna Enterprises
12. SAGC Hub
13. US Embassy
14. Sigma One Corporation/SMECEP
15. Namibia Manufacturers' Consulting

Objective 2

Identify fast-track export-ready companies with assistance from a team of industry experts that will make recommendations on specific market opportunities. The preliminary screening of these companies would be done through the use of *An Export Readiness Checklist* developed by the workshop organizers (please see attached).

The team of industry experts will work closely with partners in the region to determine companies with high export potential. Until the National Board is created, this process will be supported by AGOA National Working Group. It is envisaged that the National Board will play a significant role in this process once it is properly constituted.

Company Profiles will be developed for enterprises in each sector. Technical assistance programs will be customized for companies that are part of the fast-track program. This information-gathering process can be started immediately since companies will be filling in data for the *Export Readiness Checklist*. On the basis of information collected in a timely fashion, the industry experts can design customized export marketing and technical assistance programs.

U.S. EXPORT MARKET READINESS CHECKLIST

COMPANY NAME	
COMPANY CONTACT	
COMPANY LOCATION	
COMPANY RATING (1-10)	
RECOMMENDATION	
EVALUATOR	

<u>U.S. MARKET READINESS CHECKPOINTS</u>	<u>YES</u>	<u>NO</u>
1. CAN COMMIT ADEQUATE FUNDING TO DEVELOP THE U.S. MARKET		
2. CAN INCREASE PRODUCTION SAFELY TO MEET U.S. MARKET DEMAND		
3. HAVE STAFF WITH PROVEN EXPORT MANAGEMENT EXPERIENCE		
4. WELL KNOWN AND RESPECTED IN DOMESTIC INDUSTRY		
5. SELL NATIONALLY AND IN MULTIPLE FOREIGN MARKETS ALREADY		
6. CURRENT DOMESTIC SALES BASE SHOWING STRONG GROWTH		
7. GENERATES SIGNIFICANT SALES/PROFIT IN FOREIGN MARKETS ALREADY		
8. PRODUCT CAN BE PRICE-COMPETITIVE IN THE U.S. MARKET		
9. ARE PRICE-FLEXIBLE IN CURRENT DOMESTIC/FOREIGN MARKETS		
10. CAN BE FLEXIBLE ON PRICING TO COMPETE IN THE U.S.		
11. CAN ALLOW ADEQUATE TIME FOR U.S. CUSTOMERS TO PAY		
12. PRODUCT WOULD BE UNIQUE, DIFFERENT, OR SUPERIOR IN THE U.S.		
13. WILLING TO MODIFY PRODUCT DESIGN FOR THE U.S.		
14. PRODUCT IS READILY TRANSPORTABLE		
15. PRODUCT DOES NOT REQUIRE SIGNIFICANT TRAINING TO SELL/USE		
16. PRODUCT DOES NOT REQUIRE SIGNIFICANT AFTER-SALES SUPPORT		
17. PRODUCT ALREADY HAS ATTRACTED INTEREST FROM ABROAD		
18. HAVE GOOD REASONS FOR NOT EXPORTING TO THE U.S. TO DATE		
19. NOW HAVE GOOD REASONS TO WANT TO EXPORT TO THE U.S.		
20. WANT THE U.S. TO BECOME A SIGNIFICANT PART OF TOTAL BUSINESS		
21. WILLING TO ALLOW TIME TO ACHIEVE U.S. MARKET RESULTS		
22. GOOD AT ANALYZING DOMESTIC/FOREIGN MARKETS FOR PRODUCT		
23. DESIRE/ABILITY TO ANALYZE U.S. MARKET POTENTIAL THOROUGHLY		
24. CURRENT DISTRIBUTION/SALES ORGANIZATIONS ARE EFFECTIVE		
25. KNOW WHAT U.S. DISTRIBUTION/SALES ORGANIZATIONS MAY BE NEEDED		
26. USE A VARIETY OF TYPES OF DOMESTIC/FOREIGN MARKETING ACTIVITIES		
27. PREPARED AND ABLE TO MARKET AGGRESSIVELY IN THE U.S.		
28. HAVE STRONG IN-HOUSE PLANNING AND MARKETING FUNCTIONS		
29. WOULD EXPAND STAFF TO HANDLE U.S. EXPORT BUSINESS GROWTH		
30. ADDITIONAL COMMENT -		
31. ADDITIONAL COMMENT -		
32. ADDITIONAL COMMENT -		
33. OVERALL, APPEAR CAPABLE OF AND PREPARED FOR U.S. MARKET ENTRY		

National AGOA Strategy Development Workshop

Confirmed Delegates

Name	Organisation	Position	Business Telephone Number	Business Fax Number	E-Mail Address
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M.K Cope	IESC				
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Claudine Mouton	Sigma one Corporation	Finance Manager			cdm@sigmaone.com.na
Annascy Mwanyangapo	Ministry of Trade and Industry	Deputy Trade Promotion	061-2837331		Mwanyangapo@mti.gov.na

Companies and Organizations invited but unable to attend:

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Namibia Grape Company	David Imbili	Chief Executive Officer	063-29-7071	ngcaus@iway.na
Ramatex Textiles Namibia (PTY)	Lim Khay Hiang	Administrative Manager	061-231-543	khlm@ramatex.com.na
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