

## **Panel Discussion Analysis of the National Budget 2017/18 09 March 2017 Safari Hotel, Windhoek**

### **Background and Introduction**

The Namibia Parliament Standing Committee on Economics and Public Administration in partnership with the Friedrich-Ebert-Stiftung organised a half day Panel discussion to analyse and interrogate budget allocations of the 2017/18 Namibia National Budget. The discussion also aimed at improving the next cycle of the National Budget and creating a platform for government, parliament and civil society to discuss the National Budget. This activity was attended by Members of the Parliament Economics Committee, other Members of Parliament, and representatives from the Civil Society. The discussions was attended by 65 participants of whom the majority were men.

The 2017/18 Namibia National Budget is presented at a time when the Namibia economy is emerging from an economic down turn. Externally the Namibian Government had to deal with the impact of the commodity price crash, a slowing global economy and low growth in a large neighboring economies. Namibia experience a severe drought during the last three consecutive years, with negative effects not only in the agricultural sector, but also in wet industries and the construction supply chain. Liquidity came under pressure due to weak market confidence and consequently, a tight cash flow situation. Economic growth has slowed in 2016 an estimated 1.3 percent. All these factors had an impact on the Namibia National Budget.

### **Critical Analysis of the National Budget 2017/18**

Government debt for the 2017/18 fiscal year has been estimated at N\$71,6 billion and it is projected to increase to N\$73,7 billion in the next financial year. In the analysis provided by Namibia Equity Brokers, Dr. Kamupingene, he confirmed that the of 41,9% to GDP should not be a concern. It should not be an issue if Namibia generates enough money to honour its financial obligation.

There is an exit strategy to remedy the country's debt situation by converting liquid assets of state owned companies such as NamWater, NamPower, Namcor, MTC and Namibia Wild life Resorts (NWR) to cash in case of a crunch instead of borrowing more money. Namibia government is not bankrupt.

The economist advised government to set up a permanent standby committee which he said will identify the viability of socio-economic projects to advise government on economic matters.

Ever since the global financial crises government has been the pillar of Nambias economy. To address the economic down turn, the country must focus on local manufacturing in its effort to reduce import GDP, which currently stands at 68%.

MANWU Secretary General, Justina Emvula confirmed that the Chinese contractors has hijacked all the country's building projects, expressing that this will hopefully be addressed by the proposed Procurement Bill. The construction sector is dominated by foreigners (Chinese) and government should help to address this situation by subsidising Namibian companies and award tenders to Namibians and create more jobs for Namibians.

Domestic Sector Association position was that there is a need to improve the law on the mimum wage. As a result workers are unable to afford basic needs such as housing.

Budgets allocations are not fair; Ministry of Poverty and Social Welfare received low allocation compared to Ministry of Defense. With such an allocation member of civil society feared that government will not achieve its mandate of poverty alleviation.

### **Conclusion**

In conclusion, government was urged to implement projects, monitor the process of implementation and ensure that allocated budgets achieve the desired results which will lead to the attainment of the Harambee Prosperity Plan and Vision 2030.

Government was also advised to come up with an effective policy plan to address government spending and increased debt.

Budget allocations should be well prioritized because some portfolio of the government deserves less attention..