



**THE RALLY FOR DEMOCRACY AND PROGRESS (RDP)**



P. O. Box 81500 Olympia, Windhoek \* Tel/Fax: +264 (0)61 255 973 \* Fax2E-mail: +264 (0)886 15 773 \*  
Email: [hq@rdp.org.na](mailto:hq@rdp.org.na) \* 18 Schönlein Street, Windhoek West \* Website: [www.rdp.org.na](http://www.rdp.org.na)

---

## COMMENTS THE PROPOSED NATIONAL POLICY ON MICRO, SMALL AND MEDIUM ENTERPRISES IN NAMIBIA

**Tuesday, the 5<sup>th</sup> July 2016**

Honourable Speaker,  
Honourable Members,

Allow me to thank the Honourable Minister of Industrialization, Trade and SME Development for coming up with a revised national policy on micro, small and medium enterprises in Namibia. When one looks at the objective of MSME policy, one feels comfortable that if the policy is implemented to the letter, it can take the development of SMEs to a higher level. The objectives of the SME policy are, among others, cited as:

1. To develop a comprehensive framework of support services for MSME development.
2. To ensure the acceptance of MSMEs as indispensable agents of economic growth and poverty eradication.
3. To ensure that MSME policy recommendations are embedded in government planning framework in a broad-based and integrated manner.
4. To suggest changes to existing policy regulatory framework and government support institutions with the aim of facilitating the attainment of the goals of the policy, and some other objectives as pronounced in the policy.

It was highlighted in the policy that this policy only applies to formally registered entities. I want to alert the Honourable Minister that the informal sector is the breeding ground for MSMEs; therefore, it is of critical importance for the ministry to devise strategies of graduating MSMEs from the informal sector into the mainstream of our economy.

The other concern is the lack of protection of business ideas. There is a tendency for the well-connected and well placed individuals and business entities to hijack other people's ideas to the extent of stunting innovation. Therefore, it will be prudent if the Honourable Minister ensures that this policy provides a mechanism for reducing the risk of stealing business ideas.

My other concern is the lack of differentiation between the development financial institutions such as the SME Bank and the Development Bank of Namibia, and the commercial financial institutions. The loan requirements are similar to commercial financial institutions, which leads to failure to unlock growth potential of MSMEs to the fullest.

I THANK YOU.