



**REPUBLIC OF NAMIBIA**

**BUDGET MOTIVATION BY THE  
HONOURABLE LEON JOOSTE, MP,  
MINISTER OF PUBLIC ENTERPRISES**

**VOTE 34**

**NATIONAL ASSEMBLY, 08 JUNE 2020**

**Honorable Chairperson of the Whole House Committee and  
Honorable Members,**

- I rise to present a short motivation for the budget Vote 34 of the Ministry of Public Enterprises.
- Please allow me, Honorable Chairperson, to congratulate the Honorable Minister of Finance and Director General of Economic Planning for the preparation of the FY 2020/21 Budget and Medium- Term Expenditure Framework under these difficult conditions.
- His Excellency the President's State of the Nation Address, under the theme ***Year of Introspection***, has set the tone. In the SONA, His Excellency highlighted the current situation nationally and globally, such as a high fiscal deficit, poor economic growth, protracted drought, global economic downturn and the infamous COVID-19 pandemic, which all impact Public Enterprises financially and operationally.
- Honorable members, with the operationalization of the Public Enterprises Governance Act No1. of 2019, the Ministry of Public Enterprises assumed a new mandate which translated into taking responsibility for the portfolio of Commercial Public Enterprises (CPE).
- I would therefore like to provide this August house with a snapshot of the state of the Commercial Public Enterprises our Ministry is taking over , so that Honorable members can appreciate the difficult task that is placed on us not only as a Ministry but as a nation, that is of transforming these entities and turning them into key positive net contributors to the growth of our economy.
- Honorable Members, our ministry is taking over a portfolio of twenty-two (22) CPEs, with a total asset value of N\$70,2 billion and liabilities of N\$33,2 billion giving a portfolio net asset value of N\$37 billion and a debt/asset value of 47,3%. Overall revenue has grown by 1,9% year-on-year (2018 – 2019) while the expenditure growth rate has grown to 12,6% over the same period translating into a total profit of N\$1,7 billion for the entire portfolio and a profit margin of 7,4%.
- Considering the stark reality of our current economic situation, I believe that it is now more critical than ever to expedite the reform

of our Public Enterprises and for them to become economic enablers in our country without them being a burden on Treasury.

- May I now move, Honorable Chairperson that this August House considers the total budget allocation to the Ministry of Public Enterprises, for the financial year 2020/2021, which amounts to **N\$ 1, 409, 496, 000. (One Billion Four Hundred and Nine Million Four Hundred and Ninety-Six Thousand Namibian Dollars).**

This budget figure consists two parts, namely:

- **N\$ 38, 195, 000** for the execution of the Ministry's activities; and **N\$ 1, 371, 301, 000** for the support to Commercial Public Enterprises

#### **Honorable Chairperson,**

The activities of the Ministry of Public Enterprises are grouped under two main Programmes; namely:

1. Legal, Economic and Financial Advisory Services; and
2. Policy Coordination and Support Services.

#### **Programme 1: Legal, Economic and Financial Advisory Services:**

An amount of **N\$ 12, 209, 000 (Twelve Million Two Hundred and Nine Thousand Namibian Dollars)** has been allocated to this Programme to enable the Ministry carry out its functions

#### **Programme 2: Policy Coordination and Support Services:**

An amount of **N\$25, 986, 000 (Twenty-Five Million Nine Hundred and Eighty- Six Thousand Namibian Dollars)** allocated to this programme is earmarked to enable the Ministry carry out its operational activities. The total amount of **N\$1, 371, 301, 000 (One Billion Three Hundred and Seventy-One Million Three Hundred and One Thousand Namibian Dollars)** is allocated as subsidies to the Commercial Public Enterprises which require government financial support.

- **Support to Commercial Public Enterprises:**

<b>CPE Allocations 2020/21</b>	
Epangelo Mining	10,500,000.00
Zambezi Waterfront	1,000,000.00
Luderitz Wtarefront	1,732,000.00
RCC	21,000,000.00
NIP	146,000,000.00
Agri-bus Dev	60,000,000.00
AMTA	60,000,000.00
nac	86,461,000.00
Air Namibia	984,608,000.00
	<b>1,371,301,000.00</b>

**During the course of 2020/21 fiscal year, the Ministry will focus on the following activity areas:**

1. Finalization and implementation of the Transformation Strategy
2. Development of the Performance Management Framework and the development of the Integrated Performance Management System
3. Board Recruitments
4. Board Performance Evaluation
5. Development of Public Enterprises Governance Frameworks
6. CPE Efficiency Audit
7. Boards Induction and Training
8. Legal Harmonization
9. Development of the governance scorecard
10. Development of a Compliance Rating Framework
11. PE Compliance Reports
12. Implementation of the Business Process Reengineering processes
13. Special investigations

**Honorable  
Chair**

In conclusion, I wish to thank the Honorable Members of this August House for their support and interest in the mandate given to our Ministry. I particularly would also like to acknowledge His Excellency the President, the Vice President, the Right Honorable Prime Minister, the

Deputy Prime Minister, and my dear colleagues in the Executive, for their continued confidence and support.

I thank you.



