



**REPUBLIC OF NAMIBIA
MINISTRY OF FINANCE**

STATEMENT

By

**HON. Ipumbu Shiimi,
MINISTER OF FINANCE**

AT THE

16TH ANNUAL GENERAL MEETING OF AGRIBANK

Thursday, October 15, 2020

MS Teams Meeting

**CHAIRPERSON OF THE BOARD
ALL BOARD MEMBER OF AGRIBANK
EXECUTIVE DIRECTOR
CHIEF EXECUTIVE OFFICER OF AGRIBANK
OFFICIALS FROM AGRIBANK
COLLEAGUES FROM THE MINISTRY OF FINANCE**

I believe that an AGM is the platform where the shareholder, the Board and other stakeholders deliberate on the performance of the entity as well as other important issues affecting the entity.

Right at onset, I would like to acknowledge the performance of Agribank during the 2019/20, a year that was marked with many challenges, mostly regarding the worse drought ever since independence.

I have also noted that Agribank has done well under very difficult circumstances and the key financial metrics show positive trends if one looks at interest income and the management of expenses.

The Bank has also registered a surplus despite having to increase its provisions significantly in the year, in line with International Financial Reporting Standards. I believe this is because of the impact of persistent droughts and the contracting economy.

Though, enforcing accountability among Namibian State-Owned Enterprises continues to be a major challenge, Agribank has consistently completed its audited annual financial statements and held its annual general meetings on time over the past 4 years, which is a good governance practice, and I urge the bank to continue this practice going forward.

I am aware that despite good rains for 2020, the global developments, and outlook are clouded with significant risks to economic growth, estimated at minus -4.4 percent in 2020, the lowest growth in the recent history. This situation was already aggravated by the prolonged drought events, and further worsened by unprecedented shocks due to the COVID-19 pandemic to the agricultural and related sectors.

In light of the above, a credible fiscal adjustment will be essential to preserve macroeconomic stability and debt sustainability. However, this policy change will need to be carefully designed to avoid choking off economic growth, while safeguarding critical social and development spending.

I am therefore looking up to the Board and management to fully implement the newly approved COVID-19 Economic Stimulus and Relief Package to mitigate the negative impact of COVID-19 on the economy and to provide economic relief to retain jobs and provide livelihoods to the Namibians by providing loans at reduced interests.

I believe this will enable Agribank to fully live its purpose, which will enhance the Government's efforts to make Namibia becoming food sufficient.

I observed that there has been tremendous growth in the Affirmative Action Loan scheme (AALs), a scheme that is designed to support the Government Land Reform Policy, and whereby previously disadvantaged Namibians could acquire commercial farmland at a reasonable interest rate. I am aware that there is a need to repurpose this program with the view to better affirming our previously disadvantaged farmers in a manner that will not threaten the sustainability of the bank.

To enhance and improve the production of the resettled farmers, through a Government resettlement program, I would like the Bank and Government to work together to review the funding model toward resettled farmers in order to improve the productivity of those farmers.

As the Bank continues to support Government efforts on the abovementioned programs, I call on the bank to offer supportive interest rates to its clients but in line with market practices.

Despite, economic challenges, I would like to call on the Bank to make sure that all farmers meet their loan obligations, and continue to improve its collection, as well as providing educations to its clients on

the importance of meeting their financial obligations in order to create a healthy revolving fund for the Bank. Those clients who are genuinely struggling should be given a helping hand, but action should be taken against those who are deliberately neglecting their financial obligations.

I further commend the Board, Management and Employees for their dedicated work in providing the best services to the Namibian nation.

Though, challenging times, I would like to affirm my support toward the bank for the benefit of all Namibian.

With these few remarks, let us have a productive and informative meeting.

Thank you