

REPUBLIC OF NAMIBIA



STATEMENT BY
HONOURABLE TOM ALWEENDO
MINISTER OF MINES AND ENERGY
OF
THE REPUBLIC OF NAMIBIA
ON THE OCCASION OF THE
NAMIBIA INTERNATIONAL ENERGY CONFERENCE
WEDNESDAY, 24 APRIL 2024
WINDHOEK, NAMIBIA

Madam Ndapwilapo Selma Shimutwikeni
Excellencies Ministers
Excellencies Ambassadors and High Commissioners
Distinguished participants
Ladies and Gentlemen

Let me first thank you for being here today and I welcome you wholeheartedly to the Namibian International Energy Conference. This Conference is an excellent setting to celebrate the work we are doing to grow our energy industry. It is a private sector-led event that brings people together to collaborate in meaningful conversations that might not otherwise have happened.

It is an understatement to say that we are at the dawn of an energy revolution that will transform our economy. Oil discoveries in the Orange Basin suggest the biggest oil yield ever found in Sub-Saharan Africa. I must also hasten to add that we are still assessing the commercial viability of these exciting finds. However, we are confident that the early projections will prove accurate, and that we need to prepare for a hydrocarbon bounty that will turn Namibia into a major oil & gas producer.

It is our belief that there is still so much to be discovered, both in the Orange Basin and in other locations. Namibia's offshore Walvis, Luderitz and Namib basins hold tremendous promise, yet are mostly unexplored.

We are open for business, and it is our resolve to keep Namibia attractive for investments. It is only through investment, especially private sector investment, that we will turn our oil & gas opportunities into prosperity. However, the investors we seek to attract are those who agree that the investment must result into a mutually rewarding relationship that benefits both the Namibian people and the investor.

The savvy investor will understand that investing in a developing country like Namibia provides a much greater return on investment. This is so because not only will the investor earn a return on his investment, but the investment, in itself, would have assisted to transform the economy into a more complex and dynamic one – something that will better serve humanity. It is the savvy investor we would like to attract to our shores, and not a knight in a shining armour who is coming to rescue us from a situation of hopelessness.

You would agree with me that any discussion about a burgeoning Namibian energy sector would not be complete without a tribute to our illustrious leader, President Hage G. Geingob, whom we tragically lost on the 4th of February this year.

President Geingob laid the foundation for a successful Namibian energy industry. The substantial offshore oil & gas discoveries, as well as the resulting surge in exploration activity we see today, are the results of leadership that focused on good governance,

stability, and business-friendly policies to foster investment. His leadership also ensured that our natural gas resources will foremostly be dedicated to domestic needs, which will bolster our energy security and pave the way for our economic growth and industrialization.

Likewise, we must thank President Geingob for our rapidly developing green hydrogen sector, which will lead to even more jobs, business opportunities, and access to energy, especially electricity, for all Namibians. As we mourn his passing, the government will continue with his home-grown energy efforts by maintaining a business-friendly approach to developing the recent discoveries and promoting further exploration.

One of the most important issues we will be paying focused attention to is that of local content. The concept of local content is to institute broad policy tools that promote domestic businesses and employment. This is achieved by requiring a certain percentage of goods and services to be sourced from domestic companies and a certain percentage of jobs to be filled by local people. It also motivates international companies to share knowledge and expertise with local firms and encourages investment in local infrastructure.

We have witnessed other petroleum-producing nations struggle in vain to introduce frameworks to protect and enhance domestic benefits of their natural resources. Unfortunately, once hydrocarbons have become the mainstay in an economy, to retroactively establish a meaningful local content policy that adds new requirements for producers becomes a Herculean task.

We have a unique opportunity to learn from the mistakes of the past and adopt the best practices of successful petroleum economies as we proactively plan for a framework of our local content framework. And as we continue to work on the local content issue, I am more inclined to refer to it simply as the Namibian Content – because that is really what it is. It focuses on creating in-country value across the entire Namibian economy and ensuring sustainable economic impact from the resources under Namibian soil.

The end goal is to spread the wealth generated by these natural resources among Namibians, develop the skills of the Namibian people in oil & gas professions, and promote the establishment of Namibian oil & gas businesses.

We introduced a draft National Upstream Petroleum Local Content Policy that outlines a pathway for Namibian citizens and companies to benefit from our oil and gas resources. This is to be done by increasing our participation in the oil & gas industry, from exploration and production, and through the entire industry value chain. To ensure that the Namibian Content regulations are effective for real-life applications, I

encourage each one of you here today to offer feedback on the policies and frameworks that we are creating.

We in the Ministry are striving to enact the framework to create an internationally competitive petroleum sector that maximizes the benefits for our people and leverages our natural resources for broader national development. In this effort, we are laser-focused on achieving a balance between increasing local participation and attracting the required investment.

However, to really make it work, it requires more than good policies. It requires that Namibian entrepreneurs play a deliberate role in the development of this new industry.

I have a specific message for our esteemed investors. We have accepted you to collaborate with us and in return we expect that you earn your license to operate. I ask that you tune out the barrage of noise about how Namibia lacks the necessary expertise, or capital, or infrastructure to build a successful oil & gas industry. We want you to adopt a tenacious persistence to make things happen and use your unique perspectives to develop Namibia-specific strategies that will succeed.

To those who have made commercial discoveries, we want you to fast-track field development for all discoveries. Although I consider myself a pragmatist, the fact is that we need the resources out of the ground for the oil & gas industry to flourish. We need to develop plans now to speed up production as soon as the discoveries are determined commercially viable.

For the oil companies to play their role regarding the Namibian content (local content), it will be necessary and a requirement for them to submit to us their annual capacity-building and Namibian Content plans. I am alive to the fact that the Local Content Policy is still in a draft form. However, that is not a good reason for the oil companies not to have their Namibian Content plans in place.

I also have a special message to the Namibian entrepreneurs that wish to participate in our nascent oil and gas sector. First and foremost, let us not create any sense of entitlement, an “you owe me” attitude. Entitlement is a belief that I deserve something, without making sure that I deserve it. Let us accept personal responsibility for our successes or failures. Nobody “owes” us anything, so do not expect to receive handouts on a silver platter. No one is going to hand you projects and jobs just because you are a Namibian. You need to be ready, collaborate and compete.

It is the case that oil & gas is a new industry for us, and therefore naturally we currently lack the required expertise. But that should not deter us, it should not dishearten us. On the contrary, it should embolden us to acquire as much industry knowledge, training, and insight as possible now, so you are ready to jump right in. Be proactive and innovative in how you prepare for the upcoming challenges.

I also have a message for all the stakeholders in the oil and gas sector – policy makers, oil companies and local entrepreneurs. Let us all promote transparency and good governance in all our dealings. This will be necessary for us to ensure that Namibia remains a desired destination for investment and that we build a reputation as a solid business partner.

As we contemplate our future as a hydrocarbon producer, we also recognize the global climate challenge. There are those, of course, who argue that the global push toward green energy makes Namibia's oil & gas dreams moot. Naturally, we share the goal of getting to Net Zero. However, we must do so in a manner that does not impede Namibian Content development or exacerbate local energy poverty.

Like our fellow African nations, Namibia deserves a transition to renewable energy that is not hurried or forced into others' timetables. We deserve a transition that factors in our goals, concerns, and priorities. We need an energy strategy that promotes and protects the wellbeing of our citizens and our economy. We deserve an energy transition that takes a pragmatic approach to resolving energy poverty, by making our own natural resources part of the solution.

We are, however, happy to note that recently, when discussing the energy transition there has been a refocusing on the realities of people living without energy. The reality is that what is needed is reliable and affordable energy. What is needed is an energy that is accessible to hundreds of millions of people without access to energy, thereby improving their livelihoods.

I once again want to thank all of you for attending this Energy Conference. I look forward to great things as we work together to turn possibilities into prosperity – in Namibia, by Namibians, for Namibians.

I thank you for listening.