



**Remarks by the
Honourable Minister of Industrialisation and Trade
Ms Lucia lipumbu, MP
On the occasion of the Launch of the
Namibia Network of the Cosmetics industry – NANCi
During the Namibia Tourism Expo 2020
SKW Sports Ground, Windhoek**

7th November 2020

Ms Tulimeyo Kaapanda, Madam Moderator of our Proceedings, and NANCi Deputy Chairperson

Ms Gerlinde Sauer, Representative of the Embassy of the Federal Republic of Germany,

Ms Stefanie Huemmer, NANCi Chairperson

Officials of the Ministry of Industrialisation and Trade present

Ladies and Gentlemen,

Good day.

I take great pleasure in witnessing a highlight event of 2020, the Namibia Tourism Expo (the NTE). We all agree, that this year is marked by many adversities and challenges brought about by the Covid-19 pandemic, negatively affecting our economy and community. Therefore, the participation at the NTE by so many industries, corporates and manufacturers provide me with assurance that together, we can put our economy back on track of recovery and prosperity.

In 2015, the cosmetics industry was identified as one of ten industries from Namibia's Growth@Home Strategy, that, with the right support, shows potential for further growth that can contribute to Namibia's economic development. In 2019 the Ministry added an eleventh sector-that of Biomass Value Chains. As a result, in November 2016 the then Ministry of Industrialisation, Trade and SME Development, among others, launched the Industry Growth Strategy (IGS) for Namibia's Cosmetic Industry and Associated Value Chains. Since then, the cosmetics industry, has grown from strength to strength, with the support from our Ministry and German-Namibian Development Cooperation. Today, I am pleased to note, that this industry has been formalised and known as NANCi.

NANCi is the Network of the Cosmetics, pools the interests of both, the health and beauty industries in Namibia. The network combines the activities of raw materials suppliers, ingredients producers, end-product manufacturers as well as support and governance services providers to the sector.

Since 2016, NANCi operated as a loose network of likeminded persons and stems from the desire of the Namibian cosmetics industry to organise and promote itself, by truly embedding "*COSMETICS MADE IN NAMIBIA*".

I am delighted to see that the industry has grown to such an extent that it is now formalised, and associated into a friendly Society, with all governance structures being put in place. The health and beauty industry "*MADE IN NAMIBIA*" now has a name: **NANCi**!

Ladies and Gentlemen, you may ask why launch NANCi?

The Network of health and beauty industry players has steadily grown since its inception in 2016. This was led by a breakthrough strategy determined in 2015. From a humble beginning of a handful of MSME cosmetics manufactures, this strategy envisaged to assist others not yet formalised to participate in our economy. Today, NANCi counts more than 30 MSMEs and large health and beauty products manufacturers and ingredients suppliers. The industry is providing the much-needed jobs; back in 2015 some 5,000 persons – mainly

women – were said to be linked to it. Today, I am very proud to note that the cosmetics value chain counts more than 10,000 people directly linked to it, with most jobs being provided to women, and during the harvesting season of our natural resources over a period of six to eight months each year. Equally, exports of ingredients and health and beauty end-products have steadily grown from some N\$ 60 million in 2015 to over N\$ 100 million in 2019. However, over the same period, cosmetics products imports declined by some five percent (5%).

Ladies and Gentlemen,

We expect, that this trend will also be visible in 2020, even with the Covid-19 pandemic still roaming among us. I can state this, because Namibia provides ingredients to the health, medicinal, pharmaceutical and beauty industry. All of these are regionally and globally sought-after and vital; and Namibian cosmetics end-product fulfil the requirements of natural and organically sourced in the international marketplace. **Let us therefore not hesitate to fully support this industry.**

Why do we launch NANCi during the NTE?

The Namibian health and beauty sector, being premised and supported by natural resources prevalent in communal areas, community forests and conservancies, it is well intertwined with our tourism sector. The relationship is organic, and therefore, the Namibia Tourism Expo is the natural choice, and provides a great centralised marketing platform. The cosmetics industry has its role within the hospitality sector as amenities provided to guests or as products on sale at a tourist kiosk. Awareness of “COSMETICS MADE IN NAMIBIA” created through the tourism sector has the potential to not only create greater local awareness of our products, but to also place Namibian cosmetics on the map internationally.

One would perceive that being an MSME or small business, manufacturing goods by hand or semi-mechanised processes limits competitiveness. In the case of Namibia’s health and beauty products, this is exactly the opposite. I am delighted to note that several of NANCi members hold quality and organic-

production certifications or are in the process of obtaining such. Namibia's cosmetics and ingredients are being exported mainly to the EU, Angola and South Africa; but our reliance on the South African market is being greatly diluted due to new export avenues presenting themselves. The proceeds of the export goods, are ploughed back into communities from where raw materials are sourced from, significantly improving the livelihoods of the communities, predominantly women and children.

To further address challenges and constraints in this industry's supply and value chain, true partnerships and policy cohesion leads by example. The Ministry of Industrialisation and Trade, and the Ministry of Environment, Forestry and Tourism have joined forces to support the health, beauty and novel food industry, with substantial financial resourcing being channelled through the Federal German Government's BioInnovation Africa Project. The main aim of the BioInnovation Africa 2019 to 2022, is to harness Africa's vast biodiversity and use it as source of innovation to improve the livelihoods of the people owning such resources through collaboration with European companies. Mutually beneficial business partnerships, founded on ethical, social and environmental standards as per UNCTAD's BioTrade Principles. The project emphasises the fair and equitable sharing of the benefits arising from the utilisation of genetic resources, thereby contributing to the conservation and sustainable use of biodiversity, encapsulated in the Nagoya Protocol and as adopted in Namibian legislation.

The BioInnovation Africa project will enable Namibian role industry players to deepen this value chain, without comprising those who supply the natural resources on which the production of goods sold internationally is based. It has come to my attention that the six initiatives to be implemented under this project in Namibia alone, are valued at more than 400 thousand EURO (or some 1.3 Million Namibia Dollar) over a two-year period! This is indeed significant. It is my wish and hope that all initiatives grow to fruition!

Namibia being the global lead of Devil's Claw ingredients production, again, I am happy to recognise the role NANCi has played to bring these important

partnerships and relationships about. Just some two weeks ago, NANCi in partnership with the Namibian Devil's Claw Association Trust, Givaudan France, and the GIZ BioInnovation Africa Project have kicked-off work in the pursuit to develop the WHO-based Good Agricultural Cultivation Practice (GACP) standard for Namibian Devil's Claw. Conceptualised as a pilot, once the GACP Standard was attested valuable for the Devil's Claw resource, we aim to use it also for other Namibian natural resources, *inter alia* Marula, !Nara, to name but a few. This will place Namibia at the global pivot of natural resource management with profound ethical and socio-economic standards. Caution is to be mentioned that there is to be placed major emphasis in guarding against any social exclusion of a segment of our MSMEs when we mainstream such standards.

Madam Moderator, Ladies and Gentlemen,

With considerable impact visible in the health and beauty industry over the past five years, I would fail in my duty if I claimed that Namibia's industry growth strategy was the sole achievement by a selected few. No, this achievement was made possible through trust, partnership and dedication of many. I wish to however highlight the main achievers. First and foremost, I laud the Namibian industry players, many of you being MSMEs (and may I add, women-led) to have joined forces with the Namibian Government in bringing the health and beauty industry about.

The cosmetics industry has seen interest from other cooperation partners, notably the USAID's Trade Hub and the UK's Trade Development programme. I am reliably informed that an MoU with the USAID Trade Hub was concluded in May 2020, with the aim of exporting cosmetics end-products to the USA. This is work in progress, with achievements hopefully on the horizon.

My particular consideration goes to the German Government, implementing support measures through GIZ, for continuously accompanying and resourcing our industries, notably the cosmetics industry and an additional four sector growth strategies.

Specifically, the contributions received from the GIZ ProBATS Project have provided NANCi with the right footing towards the association. Since 2015, the various measures and initiatives that NANCi launched, concerned providing market access for “COSMETICS MADE IN NAMIBIA” this happens through international participation at leading cosmetics trade fairs like the VIVANESS in Germany. This trade fair close at home, GIZ ProBATS under the leadership of MIT, has indeed made their contribution to support our budding industry, also through the current difficult times.

Having access to natural resources, like Marula, is just one aspect of the value chain. Other key considerations in the value chains pertains to selling asell a value-added product, creating and retaining market access, certification, standardisation of products and good manufacturing practices. Thus, this kind of support received from GIZ ProBATS under the direction of the MIT, the partner programme hosted in our ministry, is highly valued and contributed to the success of NANCi and its members. The support should be continued but also with a concomitant support to the internal capability of the Ministry to continue developing the sector once development cooperation support exit. This implies migrating support functions of Industry Growth Facilitators to the Ministry’s personnel to continue supporting the sectors beyond developmental aid. The health and beauty industry have significant room for expansion; impactful, transformational support and investments directly at MSME and organisational level will necessarily put it on to a higher growth trajectory.

Madam Moderator, Ladies and Gentlemen,

With the great strides achieved in the health and beauty industry over the past five years since the establishment of its strategy, it is my singular pleasure to declare NANCi – the Namibia Network of the Cosmetics Industry – official launched as friendly Society.

May you grow from strength to strength! Let Namibians support our local products! Buy Namibia, Grow Namibia!

I thank you!

