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Let's MINGLE



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Editor's corner

Banning imports not so simple

We laud the instruction by finance minister Calle Schlettwein that public entities may only procure locally and that this must include production north of the red line for consumers north of the red line. The announcement, although 29 years late, is good news.

Gone, finally, will be the days of Nestle mineral water in parliament and other government institutions.

The directive is much like capital projects where the state ploughs tax dollars back into the local economy. And yes, it will provide a much-needed injection into our stagnating economy and will certainly provide incentive to invest into businesses, especially knowing that there are lucrative orders coming from government. One can imagine the impact of a local order of consumables by the health or education ministries, for example.

However, we agree with experts that unless there is support to local small businesses from government, this may backfire on us.

Are we sure that we are able to substitute imports with local products? Are our production levels, not forgetting levels of quality, good enough to supply the demand? And probably most importantly, are our skills levels at the standard to manufacture and supply?

Possibly not.

And then, what of the Namibian Defence Force? Their procurement is a private matter altogether not even having to declare their chicken imports? A matter of security, we are told. And it is the ministry that receives one of the biggest budgets annually. Will they procure locally too? And then of course, the piece de resistance... what of construction? While Schlettwein explained that there were no local bidders for the Swapo headquarters, it is a tad ironic that on the day he bans all imports, the news breaks that the party's headquarters will be constructed by a Chinese firm.

China has made millions, if not billions, off our construction in our little corner of the world and Namibian companies have seen very little of that. We are hoping to see this change under the new directive.

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NAMIBIA
TODAY'S WEATHER

Windhoek

08°/25°

Aranos

05°/24°

Gobabis

Rehoboth

07°/26°

Otjinene

08°/25°

Okongo

Sunrise in Windhoek: 06:45
Sunset in Windhoek: 19:00

of the company, nor that he would take unfair advantage of the equal shareholding."

He says both Van der Merwe and Rossouw "unscrupulously took advantage of the situation" that he could no longer veto decisions or remove any director.

Any suggestion he made or wish he had he says were opposed or simply outvoted and he says he was sidelined.

Several correspondences in this regard were attached to the filed documents in the court. Haikalii said he had formally asked the auditors for account information, employee costs and management fees after he had discovered payments made to unrelated entities including the Nguni Property Fund and moreover, that funds due to the company were being used to pay salaries of employees at Safland International.

He eventually received the company's bank statements which were delivered to his counsel's offices on 9 April. It was here,

he says, he discovered payments of N\$13 134 635 made by Safland Namibia to Safland International.

These amounts, he says, were "unlawfully" paid to the company. "It is also of significance that in as far as I could establish, both Karel and Marinda van der Merwe are shareholders and directors of Safland International."

Moreover, he says that Karel van der Merwe and Rossouw are signatories on the bank accounts of both Safland Namibia and Safland International.

Following several enquiries, Haikalii says he received no response and said that it has become clear to him that the "funds to the credit of Safland Namibia at Safland International may be quickly depleted by Van der Merwe and Rossouw" to the detriment of Safland Namibia and himself.

"It is also clear to me that Van der Merwe has something to hide as such disclosure (account information) would result in the inescapable conclusion that he has

been guilty of serious misappropriation of monies belonging to Safland (Namibia), as well as unauthorised transactions so perpetrated which may amount to a breach of his fiduciary duties towards the company.

"It is also evident from the aforesaid that Van der Merwe has been treating the company's property and funds as his own and that he is doing everything within his power to deny me my rights as shareholder, both in respect of being able to know what is happening in the company as well as to be able to determine the true value of the company as such."

On Friday, before Judge Thomas Masuku, the parties agreed to settle the matter and in a bid to reach a settlement, the matter was postponed to Wednesday of this week.

Maren de Klerk of De Klerk, Horn and Coetzee appears for Haikalii while Stephen Vlieghe of Koep and Partners appears for the respondents.

Oil and gas

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PEL No 73

Reconnaissance Energy Namibia, the Namibian-registered subsidiary of Reconnaissance Oil & Gas, holds petroleum exploration licences (PEL) No 73, which covers blocks 1719, 1720, 1721, 1819, 1820, and 1821 in the Etosha Basin, which forms part of the greater Kalahari Basin.

The two drilling areas fall within the boundaries of the Mbonza and Sambyu traditional authorities, and according to Risk-Based Solutions, these areas are situated in remote and sparsely populated areas.

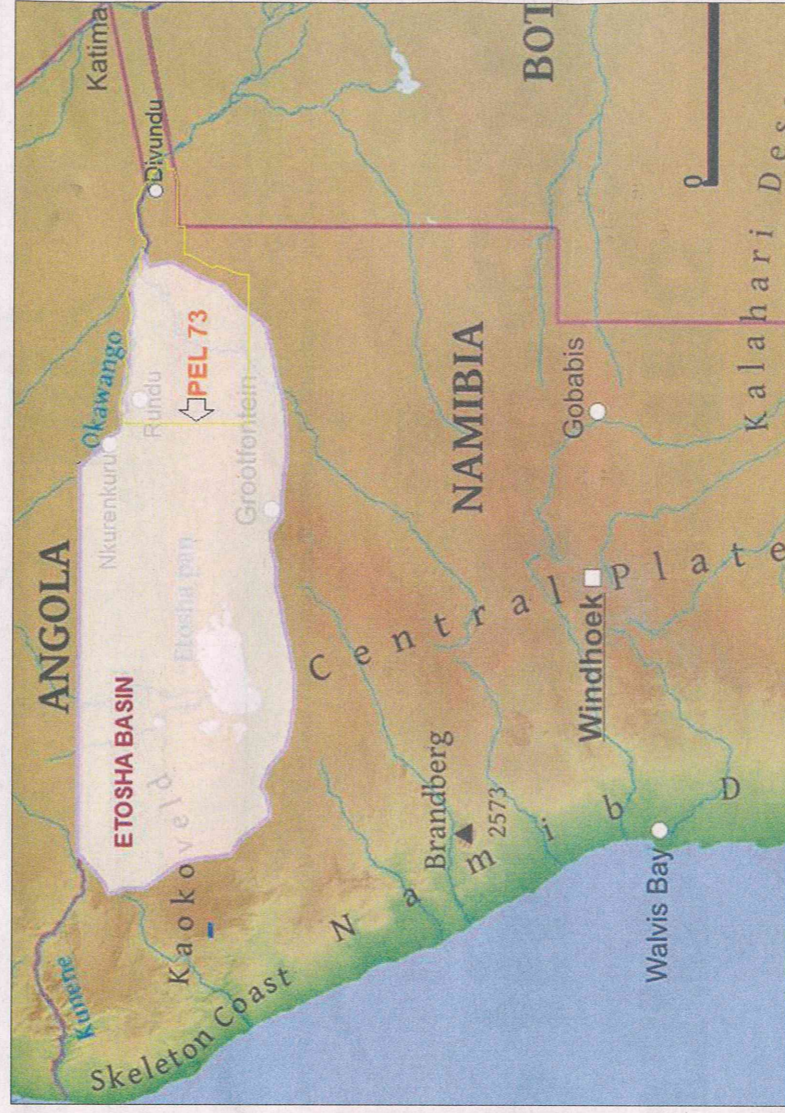
The proposed drilling is to establish the possibility of the Etosha Basin's potential for economically viable hydrocarbon (oil and gas) reserves.

Water needed for the drilling project will be drawn from groundwater sources that are recharged by the Omatako ephemeral river channel.

Risk-Based Solutions indicated that the drill locations are accessible and no large trees will be cut down in the process.

Once the drilling is complete (anticipated to take between 20 and 30 days per well), the affected areas will be reclaimed to minimise surface disturbance.

By 2016 the Institute for Public Policy Research (IPPR) listed 43



SEARCH ON: The location of the PEL 73 oil and gas licence. PHOTO: CONTRIBUTED

companies holding on- and offshore petroleum exploration licences (PELs).

According to that information (Transparencyoil.org) Reconnaissance Oil & Gas owns 90% of the licence; Namcor holds the remaining 10%.

Offshore search

The ministry of mines and energy and Namcor have also signed an

agreement with another UK-based company, GeoPartners UK, for the acquisition of widely spaced regional mapping of the Aiptian Source Kitchen (ASK) Namibia 2019 2D offshore seismic survey.

The ultimate aim is to identify potential drill-ready subsurface geological structures called reservoirs that could contain hydrocarbons.

The Nordic Explorer will be used as the vessel from which the survey is to be conducted.

Cattle

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"Boreholes are getting damaged due to the added pressure and we also expect a high risk of environmental degradation and erosion because of exceeding the carrying capacity."

Ndawanifa says some people have driven their livestock into Angola and the Kavango regions, but there are still too many cattle in Ohangwena.

The cattle are now competing for the available water and sometimes go days without drinking.

"We have requested the government to assist us with drought-relief money to drill additional boreholes so that we can assist farmers to get through the drought. It is not that there is enough grass in the region, but only bushes and shrubs which farmers feel will help their livestock.

"There are some boreholes that were drilled but are not used because of salty water. I think these boreholes can still be used for animals during this drought," Ndawanifa says.

The government has allocated N\$572.7 million to drought relief in communal areas. The money is earmarked for food assistance, water tanks, livestock manage-

ment incentives, livestock transport subsidies to and from grazing areas, transport of fodder, lease of grazing areas, subsidies for crop farmers, lick supplements and fodder subsidies.

This will be done on the condition that farmers bring down their herds to 25 cows and one bull per farmer.

Ndawanifa says the region has mandated the Directorate of Veterinary Services (DVS) to register livestock owners for the drought assistance programme.

The problem is that cattle flocking in from other regions are making the identification process difficult. The Omusati Regional Council chairperson, Modestus

Amutse, says the regional government is urging farmers to sell their livestock.

"We have an operational abattoir in the region. We are therefore advising farmers to reduce their livestock by selling some of them to the abattoir. We have already engaged with the abattoir management to fast-track the process for farmers who want to sell," Amutse says.

"The issue at hand is just the market that we are currently busy sorting out to ensure that the abattoir is empowered to assist farmers."

Amutse calls on farmers not to panic, but to do all they can to survive the drought.