



**REPUBLIC OF NAMIBIA
OFFICE OF THE PRIME MINISTER**

KEYNOTE ADDRESS

AT

14TH CONFERENCE FOR RETIREMENT FUNDS

BY

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PRIME MINISTER**

**17 NOVEMBER 2021
WINDHOEK**

- Ms Sabrina Jacobs, Chairperson of the Retirement Funds Institute of Namibia,
- Members of the Retirement Funds Boards,
- Distinguished Guests,
- Ladies and Gentlemen,
- Members of the Media

1. I am honored to join you this morning at the opening of the 14th annual conference of the Retirement Funds in Namibia and deliver a keynote address. The conference theme, ***“the perfect Storm is Here: How does it affect the Retirement Fund Industry and how do we navigate it”*** is most appropriate under the current economic challenges facing our country.

2. I wish to congratulate the Institute for hosting this conference for industry members to engage in constructive dialogue on issues facing the industry and the economy and share lessons on best practices and ways to ensure that the industry remains resilient

and optimize contribution to National economic growth and development.

3. The main aim of the retirement funds is savings mobilization for future protection of earnings of members. Noting the time value of money, the business of retirement funds is to guarantee income and preserve the buying power of the current earnings. This noble function thus, serves as a life protector of income to the savers, and places the retirement funds in a situation to develop optimal investment methodologies and approaches that guarantees such future earnings.
4. It is pleasing that the Namibian retirement funds industry is stable and dynamic. The 2020 annual report of Namfisa shows that there are 81 active registered funds in Namibians at December 2020.
5. Given the important role the retirement funds play, it is incumbent upon the Government to ensure an effective regulatory environment for the industry for the protection of the consumers and savers, and for the preservation of the members investments invested into these entities.

6. The Financial Institutions and Markets Act has now been promulgated to amongst other, enhance the role of the regulation, and create mechanisms for complaints handling by members. In this regard, the regulatory approach follows a risk based approach to ensure that the focus is put on areas that pose the greatest risk to meeting regulatory objectives, in line with international best practices. Other reforms under the new regulatory framework include registration requirements for pension fund administrators, and prescription of certain requirements for establishments of Boards, amongst others.
7. The retirement funds investments are crucial for local investment and while the regulations require that at least 1.75 per cent of the assets be invested locally, the intention is not to induce the maximum of investments to that benchmark, but to induce the industry to identify opportunities for local investments.
8. Covid has amplified our vulnerability due to reliance on imports when disruptions in supply chains for basic goods due to Covid

restrictions and exports restrictions resulted in supplies disruptions.

9. This situation also brought to the fore investment opportunities locally which the local savings including that under the pension funds industry can be deployed into. The industry should harness this potential for local investment to optimize investment returns, while supporting local economic recovery and resilience building and ensuring compliance with the domestic assets requirement.
10. Covid-19 has negatively affected the economy. Sectors such as tourism and transport have seen massive decline in employment. This led to disruptions in contributions, and earlier than planned withdrawals from the retirement funds.
11. Pension fund regulators in a number of countries have come under pressure to relax employers' contribution requirements, particularly in industries with large fund member job losses and unpaid leave. Arguments in support of these measures have included that the resulting reduction in labor costs may enable employers to retain more employees.

12. The retirement funds industry must remain resilient to such shocks, for it to remain strong. The industry remains critical to support the national economic recovery initiatives. Government has adopted initiatives such as PPP that offer opportunities for investment of our local savings through collaboration between government and the private sector. The industry has an opportunity, through PPP, to also share its expertise to help with the realization of strategic national initiatives to improve service delivery, besides growth promotion and optimization of returns on investment. Harambee Prosperity Plan outlines the range of interventions that are prioritized by government on which a cooperation can be forged with the industry. I call upon the industry to see how it can position itself to be a part of implementation of HPPII.

13. With these few remarks, I declare the meeting officially open.