President Hifikepunye Pohamba has warned companies which receive rough diamonds from the Namibia Diamond Trading Company, NDTC, and ship them elsewhere without benefiting Namibia and its people will not condone such practices.

In a speech delivered on his behalf by Mines and Energy Minister, Isak Katali, President Pohamba said that perpetrators would be severely penalized and might lose their rights with NDTC.

He was speaking at the opening of a new diamond cutting and polishing factory in Windhoek. NU Diamonds opened its second cutting and polishing factory on Thursday, which employs 60 permanent employees. The opening of the new factory meant that 140 permanent jobs had been created.

“We would like to see genuine and serious efforts towards skills transfer at all levels in the factories,” he said. “It is our expectation as the government that companies would import the latest state-of-the-art technology and not bring in obsolete equipment. We would like to see that the new jobs created here are sustainable. I encourage the NDTC to reward those companies living up to their promises and appropriately deal with those failing to comply with their obligations.

“I have no doubt that NU Diamonds will accept the investment you have made here and that you will reinvest further in skills development, further expansion and development of your factory.”

NU Diamonds got its licence in July 2007 and started its operations in February 2008. This is its second factory in the country, and President Pohamba said that this investment was a testimony of confidence in Namibia’s downstream diamond sector that was negatively affected by the global economic crisis.

“We welcome the decision of NU Diamonds to further increase its investment in the country with a view to expanding its operations in Namibia,” he said. “By contributing towards local beneficiation of rough diamonds, NU Diamonds is contributing towards the attainment of Vision 2030 and NDP goals.”

Founding President Sam Nujoma commended NU Diamonds for the bold decision it had taken to invest in Namibia, adding that the enhancement of the country’s natural resources through value addition and manufacturing remained one of the government’s key policies geared towards economic growth, while at the same time improving the living standards of the people through employment creation.

“Namibian diamonds are of great quality, meaning our country is one of the few countries in the world that produce gem diamonds,” he said. “In the past, our diamonds were mined and exported to countries in raw form.

“This situation has negatively affected our diamond industry because by so doing, we have been creating employment opportunities in other countries. The decision by NU Diamonds to start adding value to our diamonds should therefore be commended.”

Speaking on behalf of the investors, Zackey Nefungo Nujoma said that the diamond industry had been hit by the global economic crisis, and diamond revenue in Namibia took a harsh beating, so did the cutting and polishing factories.

“Rather than cry over the harsh beating, we took a decision, in that challenging environment, that we are in for a long-term, and that we will continue to invest hard-earned profits into making NU Diamonds a viable and sustainable player in the beneficiation industry,” he said.

“Our loyalty must be to the workers and the unions and not to our friends in leadership just because we are in business together or we eat the stolen money together. The GIPF money of more than a billion dollar is a national asset as it affects thousands of workers and, above all, it affects the entire economy and cannot be left to NANTU and NAPWU alone.”

As at March 31, 2010 GIPF fund value was at N$39 billion. Sources said that government could use part of that money to create more jobs by investing it in more industries with the potential to create more jobs.

“It is with the above background that SPVL wishes to reiterate its earlier calls for GIPF not to be used as a get-rich-quick scheme by the well connected in our society,” said Dr Ngure in his statement.

“Strangely, we notice that amongst those to benefit include members of various political parties. The dollar, it seems, has united politicians at last, just like in Parliament, interesting indeed.”