

Property	Value	Status
• Kongaland	N\$150 million	Signed
• Safland (includes the development of properties in areas where GIPF has offices)	N\$450 million	Not signed
• Old Mutual property fund	N\$350 million	Not signed
• Sanlam property fund	N\$250 million	Not signed
• Preferred Management Services	N\$250 million	Not signed
• Königstein	N\$150 million	Not signed
• Letshego	N\$100 million	Not signed
• First Capital	N\$100 million	Not signed
• NHE	N\$250 million	Not signed

## GIPF from page 1

risks are extremely high.

Some of the companies which have lined up for the N\$1,8 billion were involved in botched investments which saw GIPF lose N\$660 million through the discredited Development Capital Portfolio, DCP. Some of the contracts have already been signed, while others will be signed in a matter of days.

"There seems to be urgency

in having these contracts signed, sealed and delivered," said one source. "The rush to push these contracts through is what raises some puzzling questions.

"What is more disturbing is the fact that the same people who failed to repay GIPF loans given to them through the now dissolved DCP have again lined up for GIPF loans. What is this? Unlisted investments come with high risks. Where are we heading to?"

"GIPF has turned itself into

a bank. This is a worrying trend and there is no guarantee that those loans will be honoured. People just create companies, apply for loans and have the companies liquidated a few years later. The money is lost and individuals wax rich."

The highest earner in the new scramble for GIPF billions is a new property development company called Safland, which has lined up for N\$450 million under GIPF's unlisted investment policy which replaced the discredited DCP.

# Cut diamonds here or risk losing your licence,' warns President

By Levi Upula

President Hifikepunye Pohamba has warned companies which receive rough diamonds from the Namibia Diamond Trading Company, NDTC, and ship them elsewhere without beneficiating them here that government 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.

"I 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 recoup 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 economy as well as 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 other 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

managed poorly."

"There is more to these loans than what meets the eye," said one source. "If one closely looks at the characters and promoters of these companies, one gets the shock of one's life. The game is larger than what we see. The characters conducting the orchestra in the background are very interesting, to say the least."

Last month, the National Union of Namibian Workers, NUNW, called for a probe into the GIPF saga, saying that those serving on the board and management had blatantly abused and betrayed the trust bestowed on them by the government and the workers.

"It is not our responsibility to hide things and sweep them under the carpet pretending to want to protect the union while in reality we are out to protect our friends who stole from the workers," read one of the reports to the NUNW congress last month.

"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 industries with the potential to create more jobs.

"It is with the above background that SPYL 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 Ngurare in his statement.

"Strangely, we notice also 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."



Mines and Energy Minister cutting the ribbon at NU Diamonds new factory. Photo by Levi Upula.

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"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.

"While our focus is on value-addition which seeks to enable

Namibia to derive more value from its minerals, we realize that we need to do more. The upliftment of our communities will remain a priority in this regard. We intend to expand our social responsibility programmes, education and training which are the foundation of growing a productive society."



Founding President inspecting some of the diamonds at NU Diamonds. Photo by Levi Upula.

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