

**Opening and Introduction**  
**The Global Economic Crisis and its Impact on Southern Africa and Namibia**  
**By Sylvia Mundjindi, Project Manager Friedrich-Ebert-Stiftung -**

Director of Ceremony, Mr. Christof Brock  
The Keynote Presenter, Dr. Keith Jefferis  
Discussants to the topic Mr. Klaus Schade and Dr. John Steytler  
Hon. Members of Parliament  
Your excellencies, Members of the Diplomatic Core  
Representative from ATF, Ms. Ndiitah Robiati  
Representative from FES, Mr. Hubert Schillinger,  
Members of the Media  
All Protocol Observed

It is an honour and privilege for me to be requested to deliver an opening speech and an introduction to this important topic. The global economic crisis which is being experienced today cannot be seen as an event but rather a process which has been building over time and many nations are reported to have been hit hard by the consequence of the financial crisis.

**Ladies and Gentlemen, at an international level,** the crisis has been defined by economists as the worst global economic down turn since the Great Depression in the 1930s. Advanced economies are either in recession or in a deep recession and the emerging markets are facing a sharp economic slowdown. Overall, global economic growth predictions have been revised downwards to 0.5% for 2009.

According to statistics, several giant corporations have either collapsed or are in dire straits or have been thrown a rescue package. To respond to the crisis, commodity prices for example, petrol, oil and food have significantly reduced. Severe job losses are continuously reported and consumer and business confidence has been reduced at low levels.

**At a regional level,** fortunately the banking industry in South Africa has very little direct exposure towards the sub-prime market and hence no dramatic financial institution collapse has been evident. However, South Africa has not been able to escape the crisis totally. As a mainly resource based economy, the significant reduction in commodity prices has hit the economy hard to such an extent that the governor of SA Reserve Bank speaks of a possibility to also move into a recession.

**At a local level,** Namibia due to its small population is reported to be in a better position to deal with the crisis than many countries but it is however not immune to the effects of the crisis. Regarding the financial sector, the Namibian and Johannesburg stock exchange dropped by more than 40% since the beginning of the year.

Although, the crisis is reported to affect some nations more and some less, it is very important to have a critical view on how it will impact developing nations so that we can propose recommendations on how to deal with the effects. Since developing nations receive foreign aid from richer nations it cannot be expected that the current levels of aid can remain at the same level as donor nations themselves are affected by the financial crisis. Therefore it is important that developing nations must be proactive and use macro economic policies and other survival strategies to rescue the economy from the threats of the global financial crisis.

With this few remarks, ladies and gentlemen I wish you fruitful deliberations and declare the house officially opened for debate.