



# NaSIA

Namibia Savings & Investment Association

# Newsletter

Issue 38, June 2024

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# Editorial

Written by: **Mr. Sydwill Scholtz**  
**Operations Manager – Retirement**  
**Funds of Namibia (RFIN)**



## Policy developments affecting Namibian financial sector

Dear members,

In May 2024, the The Namibian cabinet has endorsed a proposal by the Minister of Labour, Industrial Relations and Employment Creation, to increasethe minimum wage to N\$18.00 per hour for the lowest income groups, effective January 2025. This is approximately tripple the current N\$6.00 per hour for workers in the agriculture sector, security sector and for domestic workers. This increase, is likely to create a new market for innovative savings products and raise awareness of the benefits of saving, providing guidance on the best options based on a properly conducted needs analysis for these lowest income groups.

This, coupled with the increase in the untaxed bracket to N\$100,000 per annum, translating to N\$8,333.33 per month, could result in many Namibians having a little more disposable income. The sale of innovative savings schemes should therefore be first on this band wagon as it would ensure the continued well-being and livelihood of individuals, especially in retirement. Savings and retirement initiatives should henceforth be promoted and encouraged before these members of society find other uses for their additional cash.

To bridge the gap between the Government's old-age pension grant and the minimum wage of roughly N\$3,000 per month (if they work the full allowable hours of 45 hours per week), low-income earners might benefit from a properly structured savings scheme to achieve the desired net replacement ratios. Low-income earners would need to have sufficient savings at the end of their working life to maintian their standard of living during retirement. However, the sooner the people in this category start saving, the better outcome they can expect. Now would be the best opportunity to attain a replacement ratio in retirement that exceeds the last salary of the retiree.

To this end, we see the National Pension Fund (NPF), as provided for in the Social Security Act, No. 34 of 1994, receiving renewed attention for implementation, which would certainly enhance support for the wellbeing of the elderly, non-economically active members of society and of the fund. How these goals will be achieved and the methods to be deployed remain a matter of stakeholder engagement.

The implementation of the minimum wage, alongside the NPF, will therefore ensure that members of society maintain a decent standard of living throughtout their econmically active

years, while being able to save and cater for their old age to stay as close as possible to their standard of living immediately before retirement.

Despite countries introducing a minimum wage to alleviate poverty and improve the living conditions of its citizens, it is worth highlighting the unintended consequences of introducing a minimum wage. Introducing a minimum wage might come with the cost of job losses, as employers may struggle to afford the workforce needed to maintain production levels while staying profitable. This could pose an even greater risk to rising inflation, as producers will face increased overhead costs, leading to higher prices for goods and services, especially in the agriculture and security sectors.

South Africa has gone so far as legislating into law the “two-pot system”, to promote the preservation of retirement fund investments until members retire, while also allowing them access to a portion of their accumulated savings during their working years. In simple terms, the “two-pot system” opens the possibility for members to withdraw from their pension benefits without triggering a life event, which would ordinarily have been required to access their pension funds. The developments in South Africa, coupled with the current exercise (in Namibia) by the Ministry of Finance and Public Enterprises, through the Technical Advisory Committee, to review the compulsory preservation regulation, we await to see which way the Namibian pendulum will swing.

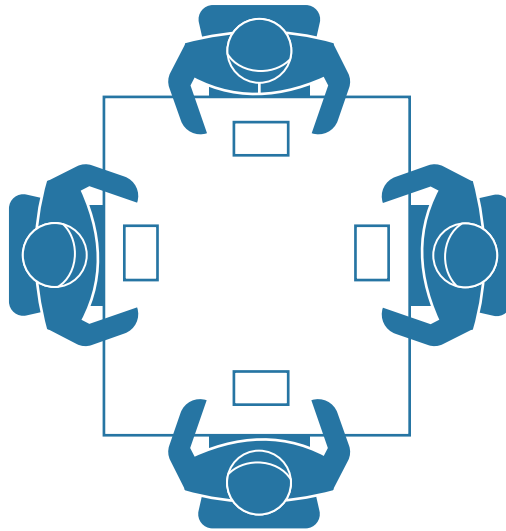
If South Africa views this as a means to alleviate the daily strain on society to make ends meet, it could yield results contrary to what we aim to achieve from a social benefit perspective. The reasons why individuals belong to retirement funds and schemes, and the core functions of retirement funds and schemes are crucial. However, growing an emergency fund and saving for retirement are mutually exclusive actions and should not be conflated, as each has its own purpose to fulfil and should be treated as such, in my view.

The creation of a cost-efficient savings culture for people at all stages of life is becoming increasingly important in light of the global developments. Financial literacy is crucial in creating a savings culture by educating our young learners on how to manage money wisely, we can surely plant the seed for a good foundation on which to build generational wealth.

I wish to conclude with the quote of Nelson Mandela: “Education is the greatest equaliser.” Let us use it for the benefit of the current and future generations.

Happy reading!

## 1. Upcoming Committee Meetings



Please take note of the following committee meeting dates (third round):

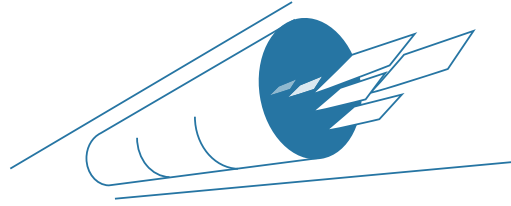
Month	Meeting Subject
2 July 2024	Transformation, Skills Development and Education Committee
4 July 2024	Research and Economic Savings Policy Development Committee
9 July 2024	Market Conduct Committee
11 July 2024	Investments Committee
16 July 2024	Insurance Committee
18 July 2024	Legal and Technical Committee



## 2. Submissions done:

Stakeholder	Dates of Submission	Matter	Committee
NAMFISA	20 May 2024	Submission of Comments on the Draft Proposed Standards under FIMA.	NaSIA Industry

## 3. In The Pipeline



**Networking Series** - NaSIA is excited to announce the launch of industry networking platforms, a new initiative approved by the Board of Directors on November 30, 2023. These events are designed to facilitate knowledge exchange and professional networking among young professionals and established industry leaders. By offering a combination of formal talks and informal networking opportunities, NaSIA aims to strengthen its role as a leading industry body actively addressing key issues in the sector. The inaugural event is planned for 26 June 2024.

**Research on Infrastructure Investment in Namibia** - This study, led by the Research and Investments Committee, focuses on identifying the best strategies for structuring infrastructure projects in Namibia to attract pension fund money. It involves analyzing global best practices and pinpointing deficiencies in the existing framework (including the private-public partnership act), with the goal of developing a strategy that is specifically tailored to the Namibian context.

The forthcoming engagements with the students will proceed according to the schedule outlined below. These topics were specifically selected due to students' struggles in understanding them and their significance in the industry.

## 4. Financial Literacy Campaign 2024 TribeFire Studios

NaSIA is delighted to continue updating our members on the progress of Phase II of our Financial Literacy Campaign, in collaboration with TribeFire Studios. As of May 2024, the campaign has maintained a strong momentum with the latest informative session held on May 21, 2024. This session featured Mathys Du Preez from Sanlam Namibia, who discussed “the value of financial advice and investor protection” including strategies for saving for retirement, education, and emergency funds. Like previous sessions, this too was recorded and is available for viewing on NaSIA and 99FM’s social media platforms.

Looking ahead, the next session is scheduled for June 11, 2024, with Almarie Bartsch, who will cover “Estate planning”. TribeFire Studios continues to track audience reach and engagement, using feedback and questions from these sessions to tailor future topics and further enhance the public’s financial literacy. This dynamic initiative is proving instrumental in empowering Namibians with essential financial knowledge and skills.

## ONLINE & ON-AIR REPORT FEB 2024




Namibia Savings & Investment Association

**WE'VE AGREED & DELIVERED**

**CAMPAIGN**

- 01 February - 31 July 2024
- 16.02 % Complete

**99FM**

**ON - AIR**

- 1 x interview

**WEBSITE**

- 1 x 99fm.com.na blog post

**SOCIAL MEDIA**

- 1 x Social Media Post

**ONEAFRICA**

**SOCIAL MEDIA**

- 1 x Social Media Advert (Retirement)

**SOCIAL MEDIA**

**99FM**

- 26,376 x Impressions
- 18,624 x Reach
- 8,620 x Engagements
- 9,788 x Video Views

**ONEAFRICA**

- 435 x Views
- 342 x Users

## ON-AIR & ONLINE REPORT MARCH 2024




Namibia Savings & Investment Association



**WE'VE AGREED & DELIVERED**

**CAMPAIGN**

- 01 February - 31 July 2024
- 32.59 % Complete

**99FM**

**ON-AIR**

- 1 x Interview

**SOCIAL MEDIA**

- 1 x Social Media Post

**ONEAFRICA**

**SOCIAL MEDIA**

- 2 x NewsOnOne Business Profile Advertorial

**SOCIAL MEDIA**

**99FM**

- 51,340 x Impressions
- 32,895 x Reach
- 5,283 x Video Views
- 4,510 x Engagements

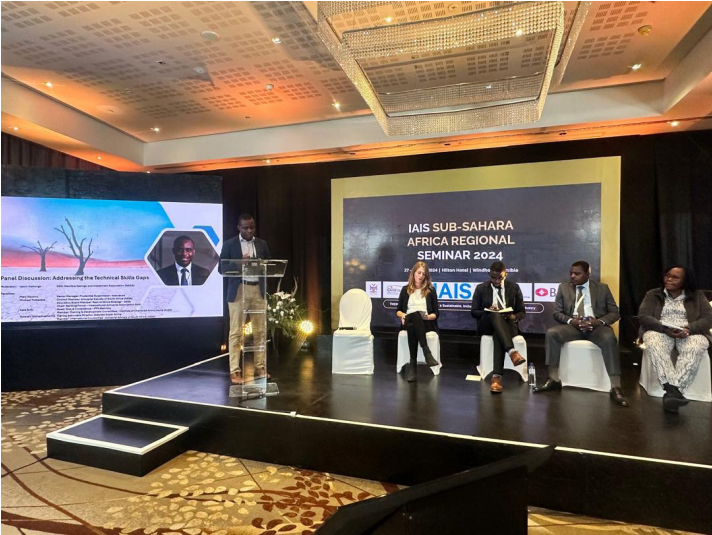
**ONEAFRICA**

- 34,491 x Impressions
- 25,083 x Reach
- 13,545 x Video Views
- 11,906 x Engagements

Name of expert:	Date/Timeline:	Topic	Status
Ndapwa Kwedhi	6 Feb 2024 at 18h15	Savings and Investments	Completed
Ralf Duvel	12 Mar 2024 at 18h15	CIS/ Unit Trusts	Completed
Etienne le Roux	16 Apr 2024 at 18h15	Investment goals: e.g. how to save for retirement, education and emergency funds	Completed
Mathys Du Preez	21 May 2024 at 18h15	The value of financial advice + Investor protection: FIMA	Completed
Almarie Bartsch	11 Jun 2024 at 18h15	Estate Planning	Upcoming
Vacant	9 Jul 2024 at 18h15	July	Upcoming



## 5. Stakeholder Engagements

Stakeholder	Date of Engagement	Key Outcomes
NAMFISA	30 May 2024	<p><b>NAMFISAs REGIONAL SEMINAR:</b></p> <p>The CEO of NaSIA was invited to the IAIS SUB-SAHARA AFRICA REGIONAL SEMINAR, that ran from 27-31 May 2024, and hosted by NAMFISA, in Windhoek.</p> <p>The seminar was a crucial platform for supervisors, industry experts and policymakers to exchange insights, share innovative approaches and collaboratively devise solutions.</p> <p>To set tone for the panel discussion, <b>Michael Tichareva</b> delivered a compelling presentation on technical skills deficiencies, particularly actuarial skills, and the work they are doing at the Actuarial Society of South Africa (ASSA), as part of ASSA’s “Rest of Africa” Education Strategy for skills development, to address critical skills shortages on the continent.</p> <p>Other panelists were <b>Mary Nkoimu</b>, <b>Kate Britz</b>, and <b>Takalani Sikhavhakhavha</b>, <b>FASSA FeASK</b>.</p> <p>The panelists concluded that, as the insurance industry becomes more sophisticated (as as result of increased climate related risks) there is an urgent need for industry (though industry bodies such as the <b>Namibia Savings and Investment Association</b> and other bodies on the continent) and regulators to work together and collaborate to address the critical skills deficiencies.</p> 

# NaSIA

Namibia Savings & Investment Association

Namibia Savings and Investment Association (“NaSIA”) is incorporated as a not-for profit company and represents the interest of its members; financial institutions such as unit trusts companies, investment managers and long-term insurers. NaSIA’s strategic purpose and mandate is to continue to strengthen relationships with key stakeholders and to remain a trusted partner to these stakeholders in the financial services industry. NaSIA has been tasked with ensuring that as a collective the industry remains relevant and sustainable.

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