

From game farming to politics: Leon Jooste's incredible journey

Leon Jooste, Namibia's Minister of Public Enterprises, ventured into the country's political arena by sheer accident, not design. It has been an exciting journey involving many changes, challenges and revelations, and he is deeply vested in ensuring that the land of his birth continues to develop and have a successful future.

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Born and bred in Namibia, Leon Jooste, the Minister of Public Enterprises comes from a long generation of proud Namibians. He grew up in Grootfontein where his father (third generation) had several transport, tourist and agricultural business interests. Schooled at Paul Roos Gymnasium in Stellenbosch, Leon obtained a BA in Archaeology from Stellenbosch University in 1991. But, it was always in the family business, especially the tourism side, where Leon wanted to play a meaningful role. And so began a long career centred around the family business and tourism in particular. A career that later led to him entering politics and his appointment as Minister of Public Enterprises in March 2015.

"I was involved in all aspects of the family business, but mainly in our game farm operations. My family owned a large game farm just outside Grootfontein. After my marriage to fellow Namibian Peggie 15 years ago, we decided to take over the management and operations of the game farm and make our home there.

"The game farm started out as a hobby, but once we calculated how much this hobby was actually costing, we had to turn it into a business. During our time on the game farm, we became good friends with Namibia's Founding President, Dr Sam Nujoma – an incredibly special person. He

used to visit us often and as our friendship developed I became more aware of the country's politics.

"When a vacancy arose in Government, Dr Nujoma asked me to fill the position with the intention of moving into conservation and tourism at a later stage. He had first-hand experience of the type of conservation practices we were employing on the farm. I couldn't say no and so I ended up in Cabinet and Parliament. It was never a calculated decision, it just happened," explains Jooste.

"I was initially with local government for six months and then became Deputy Minister Tourism and Environment in 2005, which was fantastic as tourism has always been a great passion of mine, and I was able to make some significant contributions. But, with me entering politics, it left a gap in the management and running of our family business. My father, who had already retired, had to once again get involved in our family's significant business interests.

"When my father passed away unexpectedly, I was faced with a tough decision. I had two options – see if I could juggle and serve both my political and family business commitments, or exit politics and concentrate on the family business. It was not a decision that could be made lightly and after discussing it with the President, I realised it would be impossible to do both. As a politician serving the needs of

your country and its citizens, you need to be completely dedicated and committed. And, because my personality is not suited to acting as a part-time agent sitting on the sidelines, I made the difficult decision to resign from politics," recounts Jooste.

"The family's business operations were located in Cape Town, so we packed and moved down there, but returned to Namibia within three years as I missed the country so much. When I first took over the family business, there was a short period of time where I felt unburdened by the demands of politics and was satisfied working for myself and building the family business. But shortly after that, much to my surprise, I found that I was not content and was missing something – serving the needs of two million people, not just my family. I was no longer inspired serving my own interests, I wanted the challenge of facing and solving daunting and difficult issues for the greater good of all Namibians.

"So, I made the decision to return to politics, but with added determination to do it properly. My first political appointment was made through the Founding President exercising his executive power. I never went through any party or democratic process. This time, I wanted to do it right, to go through all the processes of being elected by the ruling party with the hope that the President would put me in a meaningful

position. There was a possibility that I would go through the two-year process and not be elected or appointed to a particular position. So once again, I had to do some self-examination to determine if I would be content being just a Parliamentarian, a backbencher in Parliament. It was a humbling experience and I had no idea of what the outcome would be.

“During this time, I took some major decisions regarding the family business – selling and disinvesting some of our businesses. And, then, I heard that effective March 2015 I had been appointed Minister of Public Enterprises in the new government, led by President Hage Geingob. That moment when I received the phone call from the President asking me to join his Cabinet, was a life-defining moment, suddenly everything I’d done up to that point made sense,” Jooste relates.

Jooste is currently selling his remaining personal enterprises to free himself from all business interests and to focus all his attention on his role and responsibilities as Minister of Public Enterprise.

“This portfolio is incredibly exciting and dynamic; it’s daunting but has great potential and I welcome the challenges,” he asserts. “I’m dealing with about a third of our GDP that is captured in state-owned enterprises (SOE); most of them are not asset value and are not performing well. But, it is a realistic view of what’s happening in our part of the world – commodities are under pressure, trade volumes are down, the country is suffering a drought and water problems, and the government is under pressure.

“SOEs are looking for bailouts and subsidies. A bigger part of the problem is that SOEs should in most cases be there to deliver the services and functions that

the private sector cannot perform. In more developed countries, you will see fewer SOEs and sometimes even none at all, apart from the power generators or national broadcasters who remain under government control, but in developing economies like Namibia’s, SOEs play a huge role in the economy. It is still too risky for the private sector to enter many sectors because they are too capital-intensive. So this is where SOEs have to fill the gap, but we are not doing that effectively. Take, for example, the

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country’s postal service, NAMPOST – a SOE. There are 141 small post offices scattered around the country, sometimes in the middle of nowhere. A private sector company would realise that probably only five of them are making money and would quickly shut down the rest. We can’t do that because we know, from a social point of view, that we need the post offices because there are several places in Namibia that have no other means of communication and connection, the residents are still reliant on the postal service.

“So, yes the subsidies that are being given are important to enable SOEs to deliver a reliable and effective service on behalf of the government. The public often expresses their desire for these commercial entities to generate a profit, but we must be careful. Monopolies exist for a reason because the private sector can’t provide the services, and if we put too much pressure on SOEs to generate a profit for the shareholder, it could be detrimental to the consumer and not stimulate economic growth, so the most important thing is to ensure that they deliver an efficient and effective service. The role of public enterprise in Namibia’s economy is absolutely fundamental; without it, everything will go off, the lights, the water. It is daunting to think of what the impact of having no SOEs will be on the lives of Namibians,” explains Jooste.

Jooste’s ministerial portfolio also involves components of the national transport system, part of a greater communication network.

“Our entire economy is smaller than that of most cities in South Africa, but, we still need to be competitive, especially in the sub-region, so we look at the niche opportunities that we can capitalise on. One of these is the opportunity to develop Namibia as a logistics hub, meaning everything to do with logistics and transport. We aim to capitalise from South Africa’s experiences in all logistics and transport entities. They experience the same problems we do – massive congestion, energy problems, and labour and security issues. We don’t want to step on their toes but we do see an opportunity to capitalise on SA’s lack of investment in logistic infrastructure and that of other countries in the sub-region together experiencing other constraints,” Jooste says.

“But for that entire logistics value chain to be activated and upgraded we have to work together; it is not useful for us to spend money investing in one of the components without doing the same to the others. A classic example is when some years ago government made a huge commitment to upgrade Walvisbay Harbour. It is a mind-boggling project, including a world-class fuel project. Walvisbay is set to become a competitive African port, but to unlock this huge opportunity we need rail to work. Our rail operator can currently only handle 5% of trade transit in and out of Walvisbay. They simply cannot cope with more. Even if they could, the over-reliance on road bulk transport is going to kill the economy. The cost of bulk road transport combined with maintenance costs and expenses as a result of accidents is becoming unbearable. So, we need to get freight. As far as I’m concerned, getting freight to rail as quickly as possible is one of the biggest priorities for Namibia. For that, we need two things: An upgrade of rail infrastructure, which is an expensive and time-consuming procedure, and to assess the rail operator and synchronise its operations. It’s an enormous opportunity and to unlock its full potential we need the Namibian Airports Company, Air Namibia, and the roads authority to lock into the same strategy to make this Namibia logistics hub work and be competitive.

“Railways are very much like highways. They unlock massive amounts of opportunity. Some mines and some projects that are only marginally feasible at the moment will be turned around if competitive rail became an option.

“Namibia’s improved rail system will be ready before the airport and harbour expansions, and the railway line will go





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through Botswana into South Africa. "But, cautions Jooste, "we are not connected to Botswana yet as following discussions with the Botswana government, a tabled option was put on ice as it is currently not feasible. However, it is feasible for us to link up with Angola. We currently have a line ending in Grootfontein which could go through the Zambezi region all the way to Katima Mulilo, the border between the two countries. We have to service these land-locked countries and their big mining sector represents potential clients for us, so linking up with neighbouring countries is important.

"And, with big mining activity ongoing in Saldanha, we have to get our rail up to SADEC standard to ensure that equipment and infrastructure are compatible," he says.

"We see a further opportunity with Luderitz. Once the Walvis Bay harbour is finished, we will look at expanding Luderitz Harbour to be in competition with our neighbour, and to service the smaller mines in the Northern Cape. Already some mines and food producers along the Orange River have been in contact with us and expressed an interest in exporting via Luderitz.

"Then, the cruise line business presents a further opportunity. Both Walvis Bay and Luderitz ports will become passenger terminals. At the moment, the big cruise ships pass us from time to time, but Walvis Bay is not geared for that. It is a hardcore commercial harbour, not a tourist-friendly harbour or a tourist attraction. Cruise line harbours work, passengers from Cape Town or Port Elizabeth disembark, then later fly out the country, and locals get on board the ships to travel, this represents a great tourism opportunity," says Jooste.

"Turning to the national airline, let me again express that water and energy are

Namibia's main priorities, then the airline. Air Namibia will never disappear. We may have been sentimental and a little overprotective about certain components of the business model, but with new players entering the market with carriers servicing Windhoek, incredible opportunities exist for the Namibian Airports Company. Its revenue will begin increasing exponentially in the next year or two. KLM Air France is negotiating its bilateral air service agreement and hopes to start operating in October if all goes well. Qatar, Ethiopian and Turkish Airlines are all set to join soon as well.

"The sector and the environment is changing radically over a very short time period. And I have recently been given permission to appoint a small special unit in the ministry, comprising two chartered accountants, one human capital expert and an economist, equipping the Namibian government with the skills to be a professional and responsible shareholder. We can't wait to become more involved and to gain a better understanding of the current strategy and how the airports company positions itself locally, domestically and internationally. I think we should welcome new players into the market and capitalise on a more modern and entrepreneurial approach," he explains.

While the transport sector remains within the Minister of Works and Transport's portfolio, and is not part of Jooste's area, he still believes that great opportunity awaits in finding a solution as to how the two sectors can co-operate. "The freight component in the transport and logistic sector is critical and I am excited about Air Namibia possibly creating the perfect atmosphere for some radical engineering. We sometimes miss some

innovation from the public enterprises and a lack of innovation and planning for efficiencies could be problematic. It's fine having a large shareholder to bail you out when things go wrong, but I maintain that if the things you've been doing for 15 or 20 years or more are not working, then we obviously have to redesign the business model or it will not be sustainable for us," Jooste states.

"Cabinet is drafting legislation and a public-private-partner policy that will

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be presented to Parliament very shortly. It proposes a big shift towards public-private partnerships, presenting massive future opportunities for investors. We will be looking at public-private partnerships (PPP) an area that has been neglected previously. Namibia barely has any PPP culture from the government's side and with a whole new corporate culture entering the market; there is a great deal of opportunity for partnerships for PPPs. We believe that there are some complicated business enterprises that can benefit from

this type of partnership, where ideally the partner will take equity and bring skills and technology on board to create the possibility of restructuring for potential listing on the Namibian Stock Exchange.

"So, the government is looking at the bigger picture and inviting other people to come in as part of the country's growth plan. We need investment and expertise to help us develop the country," he claims.

Jooste believes that Namibia is the most stable and peaceful country on the continent, having gone through the transitions peacefully and democratically.

"Overall, the country is in good shape and we are maintaining our economic growth, but need to expedite development. Tourism is doing brilliantly, as it always has, although it took a bit of a bit of a dip with the Ebola outbreak and visa prices from down south. The mining industry is doing very well and while the economy is still under pressure, we are experiencing good economic growth. Namibia has always had around 5% growth, which is very competitive in regional terms.

"Namibia has a brilliant Minister of Finance – he spent most of his professional life as permanent secretary and then became a deputy minister, then Minister of Trade and Industry, and finally our Minister of Finance – and we have one of the most respected presidents on the African continent, by far. Our current president has an economic brain. He worked for the World Bank in Washington for several years before returning to politics. He has been exposed to world and African economies and is very business and economically focused, employing a consultative style of leadership. Our leaders are intelligent and strong. We are in very good hands," concludes Jooste.