AGRICULTURAL RESTRUCTURING

IN

SOUTHERN AFRICA

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INTRODUCTION

Any country in the world is an integral part of the world’s economy, notwithstanding its economic wealth or power. Namibia is directly involved in world affairs, and it is hoped that its contribution will be positive. To make a positive contribution, the country has to assess its position in the international environment and should strive to improve it. Today, no country can stand alone in the world. As an active participant in world affairs, Namibia should always be prepared to accept international challenges and opportunities, but also to counter any barriers or weaknesses arising from international trade and relations.

This paper is intended to provide an overview of Namibia’s agricultural trade prospects, while simultaneously giving some broad policy guidelines.

AN HISTORICAL OVERVIEW OF NAMIBIA’S AGRICULTURAL TRADE

The international trade situation

Any evaluation of the international trade situation necessitates a grouping of countries into economically similar blocs. According to Otto (1990a), the following blocs can be identified:

- The E.E.C. and Western Europe;
- The North American continent;
- The Newly Industrialised Countries (NIC’s);
- The Centrally Planned Economies (CPE’s);
- OPEC;
- The Less Developed Countries (LDC’s);
- Other relatively developed countries (e.g. Japan, Oceania and South Africa).

Recent events in Eastern Europe made it desirable to include a new group, the socialistic democracies, or new-capitalists.

World trade experienced an approximately 600% growth between 1970 and 1984 (Devine, 1987), although on the whole it slowed down at the beginning of the eighties, measured in nominal terms. It recovered later on. By 1986, trade showed an increase of 10% at nominal prices and since then the real growth rate stabilised at 4% (Basler, 1988). The largest growth was experienced in trade with manufactured goods, although trade in services also experienced a strong growth, particular during the late eighties. Agriculture’s relative share, however, declined during the same period (Otto, 1990a).

World trade is dominated by the industrial countries with very little that can be construed as consistent changes in relative shares over time. It does appear that the oil-exporting countries materially increased their share of world trade in the seventies, but this share has declined since 1980. Asia’s share of world trade has grown consistently since 1970, mainly due to the efforts of a few countries, i.e. Japan, South Korea, Thailand, Taiwan and Singapore.
The LDC's share of agricultural and mining exports of total exports declined by 4% and 24% respectively from 1975 to 1985, while their share of manufactures rose from 36 to 64% (Cheeney & Keesing, 1985). This may lead to an increased share of global export trade, and the LDC's may become able to compete in export markets of traditional exporting countries. A major problem facing many LDC's however, is a high international indebtedness, with large debt servicing requirements. These place a huge burden on some countries' growth opportunities.

Africa, especially Sub-Saharan Africa, is the only major region in the world where food production is losing its race with population growth. Together with declining per capita agricultural production, the continent experienced a declining per capita income, which, since 1980, declined at an annual average rate of 4.1%. Food imports claimed nearly 20% of total export earnings in 1984, while external debt obligations required an additional 22% (Leistner, 1987).

The NIC's have followed strong export orientated growth strategies and their exports can be expected to continue growing faster than world totals. These countries are mainly importers of agricultural products, as they specialise in the production of manufactures.

It thus appears that exports tend to shift away from traditional exporters, such as the U.S.A. and Western Europe, to some LDC's and the NIC's. The E.E.C. tends to concentrate increasingly on intra-EEC trade, using its tariff policies to protect it from external competition. The new exporting countries have generally experienced growth in per capita incomes and growing import demand, thereby creating new import markets.

**Namibia's pre-independence trade**

The Republic of Namibia can be identified as a Less Developed Country. It has a vast underdeveloped population and some stringent shortcomings in infrastructure, especially in the north of the country. It has a typical dualistic economy, with the fully developed commercial sector with a well-developed infrastructure on the one side, and an underdeveloped communal sector with its subsistence economy on the other side.

Namibia's agricultural potential is restricted by periodic droughts and an erratic and generally low rainfall. Agriculture is the second most important sector of the country's economy after mining, contributing 6% of Gross National Product (GNP) in 1986, while it accommodates 70% of the population (Van Rooyen & McKenzie, 1989). A large part of the population is partially or fully dependent on smallholder farming for a livelihood.

Namibia is a net importer of agronomic products, especially staple grains (Metzger, 1990). Table 1 gives more details.

Production data include only those of commercial farms which marketed their grain through the Agronomic Board. Production in the communal areas was estimated as follows (Metzger, 1990):

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per capita consumption:</td>
<td>134.5 kg/year</td>
</tr>
<tr>
<td>Total grain consumption (population = 1.3 million):</td>
<td>174 850 t</td>
</tr>
<tr>
<td>Total commercial production and imports:</td>
<td>95 514 t</td>
</tr>
<tr>
<td>Communal production (difference):</td>
<td>79 336 t</td>
</tr>
</tbody>
</table>

Namibia has always been a net exporter of beef and mutton. Livestock farming contributes between 80% and 90% of the gross value of agricultural production, although this has been severely affected by the drought of the 1980's (Van Rooyen & McKenzie, 1989). Only recently did this situation improve.
Namibia's place in the international agricultural environment

Table 1
Grain production and imports in Namibia, excluding communal areas, 1985/86 to 1989/90

<table>
<thead>
<tr>
<th>Year</th>
<th>Maize (tons)</th>
<th>Wheat (tons)</th>
<th>Total grain imported (t)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>produced</td>
<td>imported</td>
<td>produced</td>
</tr>
<tr>
<td>1985/86</td>
<td>7 600</td>
<td>36 974</td>
<td>n.a.</td>
</tr>
<tr>
<td>1986/87</td>
<td>18 289</td>
<td>29 169</td>
<td>5 922</td>
</tr>
<tr>
<td>1987/88</td>
<td>6 779</td>
<td>59 425</td>
<td>4 960</td>
</tr>
<tr>
<td>1988/89</td>
<td>14 415</td>
<td>46 305</td>
<td>4 609</td>
</tr>
<tr>
<td>1989/90</td>
<td>22 548</td>
<td>39 693</td>
<td>4 122</td>
</tr>
</tbody>
</table>

Notes:
1. Marketing year 1 May to 30 April
2. Maize produced and delivered at Agronomic board does not include the maize produced on the First National Development Corporation (FNDC) farms in the Kavango region
3. Estimates
4. Imports only until 31 December 1989

n.a.: Not available


Trade in meat was mainly in the form of live animals to the R.S.A. Internal slaughtering of animals has mainly been done to satisfy the domestic market. Tables 2 and 3 give an overview of beef production and distribution in the controlled areas in Namibia. 81% of the beef production coming from this area (head equivalents) is exported, while only 19% is consumed locally.

This data cover the commercial area of the country. It is estimated that approximately 200 000 head of cattle exist in the communal areas in the North of Namibia. These cattle are mainly sold through field butcheries, i.e. under the tree (Otto, 1990b). If this could be marketed through the normal channels, an even higher surplus of beef would be available. The potential to increase meat exports even further is impressive, if health regulations can be met. Possible markets are the EEC, under the Lomé Convention, and Far Eastern countries like Japan and Thailand. To increase meat production in Namibia should be possible without any large capital investment, as there is excess capacity available at the abattoirs of the Namibian Meat Board. Privatisation of at least some of these abattoirs should be considered.

Karakul pelts are sold on international markets and earned a gross income of R47 million for Namibian farmers in 1988/89 (Karakul Board, 1989). Favourable markets for this commodity are Italy, Spain and, to some extent, Germany. New markets such as Japan and the U.S.A. are also showing an increasing interest in SWAKARA and, although quantities traded there are still small, progress is being made (Karakul Board, 1989). If SWAKARA is excluded from the U.S. sanctions package introduced against South Africa, which included Namibian products, this will further benefit the sales of this product in the U.S., although it would face stiff competition from other furs like mink. The fur industry faces a declining world market and SWAKARA prices have plummeted at recent auctions.

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Table 2
Analysis of beef and veal enterprise in the controlled areas of Namibia (1988)

<table>
<thead>
<tr>
<th>Item</th>
<th>Total production (head)</th>
<th>Percentage of total head (%)</th>
<th>Average weight (kg/head)</th>
<th>Total production (tons)</th>
<th>Percentage of total tons (%)</th>
<th>Average price/kg (cents)</th>
<th>Annual income based on gross income (Rand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Namibian abattoir</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Swavleis</td>
<td>120 807</td>
<td>36,94</td>
<td>221,2</td>
<td>26 722,51</td>
<td>42,62</td>
<td>452,0</td>
<td>120 785 737,97</td>
</tr>
<tr>
<td>- Oshakati</td>
<td>5 877</td>
<td>1,80</td>
<td>190,0</td>
<td>1 116,63</td>
<td>1,76</td>
<td>452,0</td>
<td>5 047 167,60</td>
</tr>
<tr>
<td>Namibian butchers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>40 241</td>
<td>12,31</td>
<td>221,2</td>
<td>8 901,31</td>
<td>14,20</td>
<td>452,0</td>
<td>40 233 917,88</td>
</tr>
<tr>
<td>R.S.A. controlled</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Maitland, C.T.</td>
<td>14 122</td>
<td>4,32</td>
<td>236,6</td>
<td>3 344,08</td>
<td>5,33</td>
<td>472,6</td>
<td>15 804 100,30</td>
</tr>
<tr>
<td>- City Deep, Jhb.</td>
<td>17 095</td>
<td>5,23</td>
<td>243,3</td>
<td>4 159,21</td>
<td>6,63</td>
<td>472,6</td>
<td>19 656 420,00</td>
</tr>
<tr>
<td>- Cato Ridge, Db.</td>
<td>5 946</td>
<td>1,81</td>
<td>240,0</td>
<td>1 427,06</td>
<td>2,28</td>
<td>472,6</td>
<td>6 744 261,76</td>
</tr>
<tr>
<td>R.S.A. open mrkt.</td>
<td>122 914</td>
<td>37,59</td>
<td>138,5</td>
<td>17 023,59</td>
<td>27,15</td>
<td>469,3</td>
<td>79 894 100,00</td>
</tr>
<tr>
<td>Total</td>
<td>327 002</td>
<td>100,00</td>
<td>62 694,38</td>
<td>100,00</td>
<td></td>
<td></td>
<td>288 165 725,24</td>
</tr>
</tbody>
</table>

Notes:  
R.S.A.: Republic of South Africa  
C.T.: Cape Town  
Jhb.: Johannesburg  
Db.: Durban  
mrkt.: market  

Source: Agronomic Board (1990)

Table 3
Distribution and usage of total cattle production (1988)

<table>
<thead>
<tr>
<th>Head</th>
<th>Percentage (%)</th>
<th>Tons</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports (R.S.A. only)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Controlled market - live</td>
<td>37 163</td>
<td>11,36</td>
<td>8 930,34</td>
</tr>
<tr>
<td>Open market - live</td>
<td>122 914</td>
<td>37,59</td>
<td>17 023,59</td>
</tr>
<tr>
<td>Carcass (Head equivalent)</td>
<td>24 773</td>
<td>7,58</td>
<td>5 479,79</td>
</tr>
<tr>
<td>Cuts (Head equivalent)</td>
<td>72 363</td>
<td>22,13</td>
<td>12 663,50</td>
</tr>
<tr>
<td>Corned (Head equivalent)</td>
<td>8 852</td>
<td>2,71</td>
<td>1 549,10</td>
</tr>
<tr>
<td>Local consumption</td>
<td>60 937</td>
<td>18,64</td>
<td>17 048,03</td>
</tr>
</tbody>
</table>

Note: R.S.A.: Republic of South Africa  
Source: Meat Board (1989)

Namibian livestock exports can be improved by concentrating on the export of processed meat and identifying new markets. If grain production is not increased drastically, the country will always remain a net importer of this commodity. Natural and economic forces will probably cause Namibia to remain a net importer of grains.
NAMIBIA’S PLACE IN THE INTERNATIONAL COMMUNITY

Table 4 gives an indication of the value of exports for Namibia. Total exports in 1980 represented 88.13% of GNP, while in 1988 this percentage dropped to 63.64%, with agriculture (12.07% of total exports) and mining (72.57%) being the largest contributors to exports. This shows that the Namibian economy is an open economy indeed. International events can therefore severely affect Namibia, and the country should be prepared to counteract any possible threats and use any available opportunities in order to survive in this dynamic international environment.

Table 4
Foreign trade in Namibia: Value of merchandise exports (R million)

<table>
<thead>
<tr>
<th>GNP 1980 = R1 291.3 million;</th>
<th>GNP 1988 = R3 339.8 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>At current prices</td>
<td>1980</td>
</tr>
<tr>
<td>AGRICULTURAL EXPORTS</td>
<td></td>
</tr>
<tr>
<td>Cattle</td>
<td>72.0</td>
</tr>
<tr>
<td>Smallstock</td>
<td>9.1</td>
</tr>
<tr>
<td>Karakul pelts</td>
<td>42.8</td>
</tr>
<tr>
<td>Other agricultural products</td>
<td>7.4</td>
</tr>
<tr>
<td>Total Agricultural Products</td>
<td>131.6</td>
</tr>
<tr>
<td>Fish exports (unprocessed)</td>
<td>12.9</td>
</tr>
<tr>
<td>MINERAL EXPORTS</td>
<td></td>
</tr>
<tr>
<td>Diamonds</td>
<td>446.7</td>
</tr>
<tr>
<td>Other minerals</td>
<td>461.6</td>
</tr>
<tr>
<td>Total Mineral Exports</td>
<td>908.3</td>
</tr>
<tr>
<td>Manufactured exports</td>
<td>53.2</td>
</tr>
<tr>
<td>All other exports</td>
<td>32.0</td>
</tr>
<tr>
<td>Total Exports</td>
<td>1138.0</td>
</tr>
</tbody>
</table>

Source: Department of Finance (1989)

Namibia and the GATT

The General Agreement on Tariffs and Trade (GATT) is a multilateral instrument that lays down rules for international trade, and provides a forum for discussions on trade relations. These discussions are conducted through rounds of multilateral trade negotiations (MTN), the latest being the Uruguay Round. During a MTN, the aim is to liberalise trade and to remove restrictive barriers, leading to a freer flow of goods in the world.

The Uruguay Round is the first MTN to actively involve agriculture and agricultural trade. Agriculture has usually been excluded from negotiations intended to free international trade from restrictive measures. It is generally agreed that agricultural support policies have to be reduced; the question is, however, how this can be achieved, and the magnitude of these reductions lead to differences which still have to be overcome.
Otto

The most likely outcome of the Uruguay Round appears to be a modest package which will essentially ratify a continuation of the present pace of reforms in the EEC, the U.S. and Japan. Although it can be assumed that there will be less national autonomy in agricultural policy formation, a truly liberal world trade system for agriculture will remain a distant goal (Hine, et al., 1989).

Any country trading on the international market is influenced by results obtained through GATT negotiations, irrespective of whether or not it is affiliated with the GATT. By joining the GATT, Namibia would have the opportunity to voice its concern over some aspects of the agreement. Membership of this agreement presents a forum for the discussion of trade disputes and gives a country some form of protection against unfair competition. This is important for Namibia, as its economy is vulnerable to any (unfair) outside interference. Agriculture, which forms a great part of Namibia's international trade, will be included in some form into the GATT. Should Namibia wish to share any possible advantages resulting from this, the country has to become a member of the GATT.

The Southern African Development Coordinating Conference (SADCC)

Shortly after independence, Namibia became the tenth member of the SADCC. This organisation was formed in April 1980 in Lusaka with the following objectives (Van den Heever, 1988):
- The reduction of member countries' external dependence, especially on the Republic of South Africa.
- Effective integration between member states.
- The mobilisation of internal and regional resources for the use in national, regional and international policies to reduce external dependence and increase regional coordination.
- Coordinated efforts by member countries to gain international acceptance and practical support for SADCC strategies.

SADCC countries have a combined market size of 70 million people with a GNP exceeding U.S. $23 billion at 1985 market prices (Rusike, 1989). In the SADCC, agriculture remains the mainstay of the regional economy, contributing about 34% of the region’s GDP, employing about 79% of the total labour force and contributing about 26% of the total foreign currency earnings (Dhliwayo, 1989). The proportion of recorded intra-SADCC trade in overall official trade is only 4 to 5% (Chr. Michelsen, 1986). SADCC countries’ trade with South Africa is considerably higher, representing 7% of their total exports and 30% of their imports (Muchena, 1988).

SADCC agriculture has performed badly in recent years. The annual per capita growth rate of agricultural production was negative (-0,31%) for the last 35 years for Africa as a whole; in the SADCC region it fell to -1,2% from 1970 to 1984. Cereal imports to the SADCC have increased and food aid to this region has doubled in the period 1980-81 to 1986-87 to reach about one million tons per annum (Muchena, 1988).

Although it can be argued that the SADCC did not manage to fulfill the objective of less dependence on third parties, the objective of better intra-regional coordination has been reached. Programs under the auspices of the SADCC are functioning relative effectively, thereby increasing a flow of information and knowledge between member states.

Namibia’s decision to join the SADCC was not purely an economic one. Political aspirations certainly played a great role in this decision. It is not argued that this is to the detriment of Namibia. Any participation in international organisations will be to the benefit
of the country as an exchange of knowledge and ideas takes place. Namibia is part of the Southern African situation and can positively influence SADCC happenings, while simultaneously gaining valuable benefits from this agreement. With its relatively open and free economy and its well-developed, although dualistic, infrastructure, the country’s membership of the SADCC can only be to the advantage of this organisation, and Namibia can potentially become a leading member of the SADCC.

**Lomé IV - its prospects for Namibia**

The Lomé Convention was signed between the EEC and 46 ACP (African, Caribbean and Pacific) countries in 1975 in order to enhance trade relations between these two groups (Matthews, 1985). The countries concerned were given most-favoured-nation status under GATT rules. The convention covers a wide range of products and assures ACP countries of a market in the EEC, without the usual import restrictions being imposed. This agreement also helps ACP countries to stabilise their exports through the Stabex and Sysmin facilities. A few other aspects are also beneficial for ACP countries, like the European Development Fund (EDF) and the European Investment Bank (EIB), both valuable sources of development finance.

Lomé IV, covering a period of 10 years, was signed by 68 ACP countries and the 12 EEC countries on 15 December 1989. Namibia became the 69th ACP member state after independence in April 1990 (Anon., 1990).

The main concern implication of Lomé IV for Namibia is the expansion of its export market to the EEC, especially for agricultural and mining products. If Namibia is included in the Lomé beef and veal protocol, this could lead to an improvement of their beef exports, which would in turn increase local beef production and so raise incomes. Should Karakul pelts be included under the Lomé arrangements, this ailing industry could possibly be saved from the threat of total bankruptcy. The mining industry of Namibia will also benefit substantially from Lomé IV. Namibian mineral exports will be ensured of a market in the EEC, while any possible short-term losses will be covered by Sysmin. Namibia stands to gain a lot from Lomé IV.

One word of caution is, however, appropriate. Namibia should not fall into the same trap as many other ACP countries, who tried to increase production so as to increase their exports under Lomé to the EEC, thereby neglecting the ecological impact of increased production. Although the preservation of the environment is included in the Lomé Convention (cf. Articles 33 to 41), increased production should nevertheless be undertaken in accordance with ecological capabilities. Lomé IV can only assist in the improvement of a framework conducive to economic progress.

**The Southern African Customs Union (SACU).**

SACU has been an agreement between South Africa and the BLS countries (Botswana, Lesotho and Swaziland). Namibia joined recently. In terms of the union, these five countries are one unit, thereby facilitating easing trade among and through them. SACU is a major source of income for the BLS countries, accounting for over 60% of GDP for Lesotho and Swaziland respectively and nearly 25% of GDP for Botswana (Van den Heever, 1988), mainly revenue from import tariffs. The major disadvantage of this union is that monetary policy for contracting parties is completely dominated by South Africa. Botswana may be more independent in this regard, as they managed to enter into bilateral contracts
outside SACU, e.g. with Zimbabwe. Botswana also has its own stable currency, operating independently from the South African Rand, thereby further decreasing its dependence on the R.S.A.

Another disadvantage is that South African industrial protection policy is a dominating feature of SACU, leading to increased local prices for many articles, including inputs for agricultural use (Le Clus, 1982; Liebenberg, 1990) and the mining sector. This has contributed to declining terms of trade for agriculture (Groenewald, 1985; Liebenberg & Groenewald, 1990). It has also led to reduced competitiveness in international markets (Groenewald, 1985). It may be to Namibia’s advantage to negotiate exemptions and/or bilateral agreements regarding the importation of stock-farming and mining inputs.

At the moment, Namibia is still part of the Rand monetary area, and its economy is institutionally entwined with that of South Africa. South Africa can to a great extent determine the flow of foreign trade to Namibia by simply severing infrastructural links. It will clearly harm the Namibian economy if, at this point in time, Namibia decides to leave SACU, as this major source of income will then be lost and the country robbed of a vital link to the outside world. In the long run however, as the country’s infrastructure becomes less integrated in the South African influence sphere, and as new trading agreements are entered into, the economic benefits of a secure income should be weighed up against the disadvantages of an enforced monetary and fiscal policy.

Other organisations

Namibia has recently become a member of a few other organisations. The country was invited to join the Commonwealth as its 50th member. The reasons for this are not easy to determine, and there seems to be no immediate economic benefits involved in this decision.

Namibia is part of Africa and therefore should also be part of the Organisation for African Unity (OAU). Namibia can make a positive contribution to the OAU by providing them with expertise on democratic processes and principles. To join the OAU may not be of immediate economic benefit, but is surely of political advantage to Namibia.

A few organisations and agreements have probably been left out in this discussion. It is, however, impossible to cover all of them. Any international exposure can be to Namibia’s advantage, as long as the political and economic benefits are stronger than any disadvantages such exposure may imply.

FOREIGN AID AND NAMIBIA

The rapid changes in Eastern Europe have diverted attention away from Africa. Much of the European and U.S. economic aid is destined to be diverted to Eastern Europe (e.g. West German aid to East Germany). This leaves less aid available for Africa. Namibia therefore should not rely too heavily on foreign aid.

Aid that is accepted by the Namibian government, should be aimed at developing the country to the benefit of the population as a whole. Aid by foreign countries should strive to fulfill the following tasks (Camdessus, 1990):
- Keep the markets open.
- Facilitate technology transfers.
- Contribute to the modernisation of the infrastructure and the promotion of private investment flows.

Namibia is responsible for its own development. The Namibian government should
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determine guidelines to facilitate this development. The following guidelines should prevail (Camdessus, 1990):
- Firm macroeconomic and financial discipline in a medium-term setting: Scaled-back military spending, reductions in prestige projects and excessive bureaucracies and the introduction of "safety nets" to protect the most vulnerable population groups from the temporary human costs of adjustment.
- Far-reaching structural reforms to make the economy even more productive and flexible: This entails the decentralisation of decision-making, making enterprises fully accountable for their own activities and a greater openness of the economy to competition, including fuller participation in foreign trade.

Financial aid should not be used to fill budgetary gaps, but to spend on projects that are viable and to the benefit of the country as a whole. Technological aid, together with financial aid, should also be accepted. This could be used to build a viable economical and financial infrastructure. Large loans should not be used to build non-competitive, unproductive and unviable industries, which cannot repay the capital invested in them. Namibia should avoid falling into the debt-servicing trap!

SUMMARY AND CONCLUSIONS
The international environment is changing fast. Recent events in Eastern Europe have changed the face of the world completely, while the Cold War is apparently a thing of the past. The once static world has become very dynamic. Countries are entering into trade contracts which seemed to be impossible only two years ago. The GATT is changing agricultural trade, while the Lomé Convention is assuring ACP countries of a market in the EEC even after the Common Market has been established in 1992.

Into this dynamic world Namibia is thrown, a relative inexperienced player in international trade. It still has to establish itself in the international community and on international markets. The country has to adjust itself to the rapid pace at which the international situation is changing, and should therefore welcome any international exposure. However, this exposure has to benefit the country as a whole. International aid is desirable for the country as long as, but only if, it helps to develop the economy to the benefit of the whole population. Bilateral agreements should be entered into, especially with African countries and the NIC's, to develop new markets for Namibian products. This will ensure a technology and knowledge transfer from these countries to Namibia. The country has the ability to survive in international markets, but guidelines in this regard should be developed and strictly adhered to.

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