

Investment at all levels is needed

By [Melkisedek-Shivute Ausiku](#)

13 Aug 2019

A short while ago I was honoured to be invited to the Economic Growth summit in Windhoek. This conference was created to lure potential investors to Namibia from overseas but also get local organisations to crack open their wallets and pledge to aid our economy.



Melkisedek-Shivute Ausiku, founder of LEFA

As a young entrepreneur, it was great to be able to rub shoulders with some truly powerful people representing all manner of corporations and institutions. They were all there to pledge and seemed determined to really give the Namibian economy a much-needed shot in the arm.

With all the pledges and totals tallied up, a whopping N\$50 Billion was pledged in one form or another. Loans being made available, monies released that were earmarked for investments and infrastructure projects being developed. The amounts flying around were mind-boggling and that's where I started having some concerns as the owner of a small Namibian start-up, LEFA.

Our ride-hailing app has been active for about 18 months and continues to go from strength to strength with more than 2,000 users a month and still growing. Keeping the roads safer and ensuring less drunk driving incidents as well as generating income for the drivers. One barrier to further growth is lack of access to financial resources for investment purposes.

Resources are needed

Every startup needs resources to be able to develop, expand, improve service delivery and reach a stage of critical mass where due to its size it starts turning over money and generating income to stay afloat and start making a profit.

My spirits were up with the Growth Summit, as I assumed there would be money earmarked for smaller SME's, kickstarting the economy starts at a grassroots level and people that are entrepreneurs can and will start employing others. Without having a hugely costly infrastructure to pay for in the form of overheads.

However, where an investment of N\$1-2 million would give the boost that a small organisation needs to survive and flourish, it seems that unless you are asking for N\$10 million or a multiple of that, investors just aren't interested.

This is a shame as in other countries, investing in tech, or providing a good and conducive environment for startups and giving them access to funding has allowed them to flourish. Creating numerous success stories, apps and tech that we all use and benefit from.

Creating something along the lines of a Tech Fund to fund small potential tech startups could be exceedingly lucrative, just look at the first investors in Facebook, YouTube and many others. There's definitely nothing wrong with investing in major and capital projects and infrastructure, Namibia certainly needs that.

However, without entrepreneurs, small business owners and people willing to take a chance to create something from nothing, we will be doomed to stagnate. Our ride-hailing app has proven to be a success and there's real money being generated. The sticking point remains; without the relevant investment, the organisation can't grow. This means that not only do we need investment, but we need the investors to have realistic expectations of returns and the timeframe within which these returns can be realised. Also without putting insurmountable caveats on the potential loans.

Smaller investments can and will pay off big time, especially if the business already has a track record. Investing N\$1-2 million should be a lot more palatable than having to invest N\$200 million, yet it seems a hard concept for people to grasp. I am on a path to change that.

Let's really make Namibia an attractive and stimulating place to start a business with an investor-friendly environment...even for the small guy with the big 'proven' idea!

ABOUT THE AUTHOR

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