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FOR IMMEDIATE RELEASE

GOVERNOR OF BANK CHAMPIONS NAMIBIA AS A BEACON OF STABILITY AND GROWTH AT THE LONDON STOCK EXCHANGE

1. Today, the Bank of Namibia's Governor, Mr Johannes !Gawaxab addressed the London Stock Exchange in London, highlighting that Namibia continues to offer stability and predictability in an uncertain global economic environment despite facing domestic challenges such as a disruptive drought. The Governor addressed bankers, analysts, and representatives of the London Stock Exchange today. He provided insights on Namibian price developments, economic growth, and emerging industries.
2. Governor !Gawaxab emphasised Namibia's strong foundation for growth, citing the country's political stability and significant natural resources as critical assets which can be steered towards the country's developmental agenda. "Namibia's modern financial system and well-developed legal regime contribute significantly toward building investor confidence," he stated. In these global turbulent times, Namibia's stability and predictability make Namibia an attractive destination for investment.
3. Regarding price developments, the Governor noted that the monetary policy easing cycle is in the offing in Namibia with the repo rate being kept unchanged since June 2023. Despite the limited monetary discretion because of the fixed peg arrangement with South Africa, the Bank of Namibia has broadly kept rates at 50 basis points lower than those of the anchor country since December 2022, with a view to support the domestic economy.
4. The Governor remarked that the commencement of monetary easing on a broader scale would be data-dependent and based on underlying inflation dynamics, the economic outlook, the currency's performance, and the balance of economic and financial risks. Namibia's inflation pressures continued to ease and slowed to 4.9% over the first five months of 2024, compared to 6.8% over the same period in 2023. Overall, headline inflation moderated from an average of 5.9% in 2023 and is projected to average 4.9% and 4.5% in 2024 and 2025, respectively, demonstrating the effectiveness of monetary policy.

5. Governor !Gawaxab also highlighted the growth in domestic economic activity during the first five months of this year, which was driven by mining and tourism, including investments in oil exploration. The economy expanded by 4.7% during the first quarter of this year. However, looking ahead, Namibia's real domestic product (GDP) growth is projected to moderate from 4.2% in 2023 to 3.7% in 2024 due to anticipated slowdowns in the primary industry, partly due to drought conditions. "The biggest risks to Namibia's growth prospects include the prolonged tight global monetary policy stance, geopolitical tensions, and China's faltering recovery," he stated.
6. Referring to emerging industries, Governor Gawaxab underscored the importance of sound economic policy, legislative and regulatory frameworks, and local participation. He also assured stakeholders that the Namibian financial sector is ready and keen on exploring innovative financing models with investors and other stakeholders in these emerging industries.
7. He stressed the importance of drawing lessons from other countries to foster inclusive growth. "Economic growth is in everyone's interest, hence the need to focus on inclusive growth. Policymakers are committed to ensuring that our economic policies benefit all Namibians, enabling sustainable and equitable development" Governor !Gawaxab stated.
8. Namibia's USD 750 million Eurobond is listed with the London Stock Exchange and stakeholders have expressed interest in the country's plans for the redemption of this Eurobond upon its maturity in November 2025. The Governor reassured stakeholders that the country has already put in place a strategy to meet its obligations in this regard.
9. He concluded that Namibia remains a beacon of stability and growth potential amidst global and domestic challenges. The Bank of Namibia continues to implement strategic measures to maintain economic stability and foster growth, positioning Namibia as a prime destination for investment.



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