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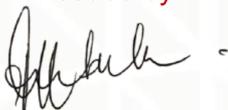
BANK OF NAMIBIA PAYS COURTESY VISIT TO H.E. PRESIDENT HAGE G. GEINGOB

1. The Governor of the Bank of Namibia, Mr. Johannes !Gawaxab, accompanied by Deputy Governor Ebson Uanguta and Deputy Governor Leonie Dunn, paid a courtesy visit to H.E. President Hage G. Geingob. The purpose of the engagement was to brief the President on key geopolitical and macroeconomic developments as well as provide an update on the country's progress with execution of the Action Plan to address the Financial Action Task Force's (FATF) Anti-Money Laundering and Combatting the Financing of Terrorism and Proliferation (AML/CFT/CPF) Mutual Evaluation exercise. The Bank also updated His Excellency on the Bank's strategic initiatives and its implementation to address financial inclusion in rural areas and the informal economy.
2. The briefing commenced with an overview of the current global geopolitical and macroeconomic landscape. The global economy is witnessing notable fault lines, including the ongoing Russia/Ukraine conflict and escalating tensions between the US and China. Inflation remains a concern, posing challenges for monetary authorities globally. Similarly, Namibia has experienced slightly elevated inflation, primarily driven by food and housing prices. In response, the Bank has taken appropriate though unpopular decisions to raise interest rates in order to counter inflationary pressures while safeguarding the one-to-one link between the Namibia Dollar and the South African Rand.
3. Acknowledging the challenges faced by households and businesses, the central bank together with the Ministry of Finance and Public Enterprises relaunched the SME Economic Recovery Loan Scheme. With the relaunched scheme over N\$ 187 million has been disbursed to more than 200 (two hundred) SMEs across the country, allowing them to continue operating and maintaining existing employment.

Additionally, the Bank of Namibia has extended relief measures to cushion households and businesses until April 2024, through commercial banks with N\$5.8 billion in approved loans under the moratorium.

4. In terms of the domestic economy, Namibia witnessed strong growth of 4.2 percent in 2022, however, is projected to moderate to 3.0 percent in 2023 due to slower growth in primary and secondary industries. Although economic activity improved during the first four months of 2023, challenges such as water supply disruption, looming drought, and infrastructure constraints pose risks to the economic outlook.
5. On AML/CFT/CPF efforts, Namibia has taken measures to address the findings of the 2022 Mutual Evaluation. Namibia's compliance with AML/CFT/CPF obligations is assessed every five years by the FATF. To mitigate the risk of a targeted review and Grey Listing by the FATF, Cabinet approved a National Action Plan in December 2022. To this end, positive progress has been made with the approval of twelve Amendments to current Acts and two new Bills demonstrating Namibia's commitment to align with international AML/CFT/CPF obligations and to effectively mitigate national ML/TF/PF risk exposure.
6. Recognizing the need for enhanced financial inclusion, the Bank has incorporated this objective into its Strategic Plan for 2022-2024. While Namibia has achieved broad financial inclusion, access to affordable financial services remains limited in rural areas and the informal sector. The central bank aims to improve this situation by promoting affordable, interoperable, fast, and cost-efficient payment services to reduce reliance on cash and enhance the efficiency of financial services. To this end, the Bank has initiated strategies to enhance the uptake of cost-efficient payment services and reduce dependence on cash.
7. In his concluding statements, Governor !Gawaxab expressed: "The Bank of Namibia wishes to re-affirm the institution's commitment to supporting Namibia's economic development and promoting financial inclusion and economic stability. The Bank is ready and willing to work closely with its key stakeholders to navigate the prevailing complexities that exist within the global and domestic economy and promote sustainable growth in Namibia."

Issued by:



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