

Date: 03 June 2021
Attention: News Editor
Ref: 8/1/2/2

FOR IMMEDIATE RELEASE

GOVERNOR !GAWAXAB ENGAGES WITH STAKEHOLDERS OF ERONGO REGION

1. On Thursday, 03 June 2021, the Governor of the Bank of Namibia, Mr. Johannes !Gawaxab met with the stakeholders in Erongo region. The engagement took place with the local leadership and business community, to discuss and exchange views on pressing economic matters facing the region and the country at large.
2. Stakeholder engagement and involvement is extremely important to the Bank as a method of achieving its strategic objectives and carrying out its mandate of fostering economic development. As a result, in his speech to the audience, the Governor remarked that “given the different operations in mining, the blue economy, logistics, services, and tourism in the Erongo, the region has secured its place as a pillar of our economy, thus the engagement.”
3. The Bank continues to fulfill its goal of maintaining monetary and financial stability while promoting economic development, according to the Governor. As a result, inflation has been kept under control for a long time, and interest rates are at their lowest levels since independence. In terms of financial stability, the Governor pointed out that Namibia's financial sector is well-regulated and thus robust and stable.
4. In terms of the country's economic challenges, which were exacerbated by the Covid-19 epidemic, the Governor reminded stakeholders that Namibians, along with the rest of the world, have been through unprecedented and tough circumstances since the pandemic's outbreak. As a result, Namibia's GDP shrank by 8% in 2021, eliminating jobs and hobbling businesses while also putting pressure on the government debt. The Governor highlighted that the country cannot afford another hard lockdown since it would jeopardise more jobs and businesses.
5. He said: “while I share the plight of those demanding salary increases, my view and advise is that perhaps it is not the appropriate time to demand such as many corporates and the government are under severe Covid -19 induced financial strain. What we need to pre-occupy ourselves with is to salvage the economy by prioritising vaccination across the country.”

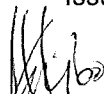
The Governor stated that correcting the negative effects of Covid-19 on the economy will take time. However, the Governor was quick to point out that activity in mining and

JK

agriculture have started showing signs of recovery, while the tourism sector is still awaiting the return of international tourists. Furthermore, the Governor reminded stakeholders that “vaccination policy is economic policy. As such, for the economy to recover, we need successful vaccination, investments and stability of the financial sector.”

6. The Governor further emphasised that for Namibia's economy to revive on a long-term basis, import substitution, export promotion and investments should all be considered as feasible policy choices, and pursued aggressively. This entails providing as much assistance to local firms as possible through local procurement and the ethos of Namibians shopping locally. This is in addition to policy recommendations such as the Harambee Prosperity Plan II, which must be executed with the appropriate urgency in order to achieve the much-needed economic recovery.
7. Finally, the Governor wrapped off the meeting by discussing the rise of unlawful financial schemes and the public's rising interest in investing in cryptocurrencies. According to him, illegal financial schemes, often known as pyramid schemes, have the potential to cause hardworking Namibians to lose their already limited financial resources. On crypto currencies, the Governor said “crypto assets are without fundamental value, are highly volatile and lack transparency. The Bank does not recognise, support, or recommend the possessing, utilisation and trading of cryptocurrencies in Namibia. As a result, members of the public who use these online-based platforms and instruments do so at their own risk and have no recourse.” He however assured the public that the Bank is doing work around crypto assets and further pronouncement will be made once such work is completed.
8. Hon. Neville Andre, Regional Governor of Erongo, appreciated the high-level engagement with the central bank's leadership, while guests took advantage of the chance to engage the Governor on steps to build and restore the economy.

Issued by



Dr. Emma Haiyambo

Director

Department of Strategic Communication and Financial Sector Development Bank of Namibia,
Tel: (061) 283 5114, Fax: (061) 283 5546 or email: info@bon.com.na