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FOR IMMEDIATE RELEASE

**CURRENCY CONVERSION AGREEMENT SIGNED BETWEEN BANK OF NAMIBIA AND
BANCO NACIONAL DE ANGOLA**

On 22 September 2014, the Governor of the Bank of Namibia, Mr Ipumbu Shiimi, signed the Currency Conversion Agreement between the Bank of Namibia and Banco Nacional de Angola.

The Bank of Namibia and other stakeholders have been concerned about the decline in trade between Namibia and Angola, in particular the once thriving trading business in Oshikango. In an attempt to understand this development, the Bank undertook research, which showed that trade between Namibia and Angola was conducted in a foreign currency, mainly, the US dollar as an instrument of payment. Therefore, a shortage of the US dollar contributed to the decline in trade. This prompted the Bank of Namibia to engage the Banco Nacional de Angola to look at the possibility of entering into a Currency Conversion Agreement.

After extensive discussions and consultations, the two sister central banks concluded this Agreement to facilitate reciprocal conversion of the national currencies of the Republic of Angola and the Republic of Namibia. It will allow business people and traders to legally export either Namibia Dollar to Angola or the Angola Kwanza to Namibia and exchange them into local currency for trading purposes. The Agreement will further strengthen the economic relations between the two countries.

The conversion of the currencies will be applicable only to the border towns of Oshikango and Santa Clara, and the two Central Banks will continue this engagement to ensure the success thereof. The possibility of extending the

arrangement to other towns along the border will be investigated and such results will be addressed accordingly.

The Agreement will be effective six months from the signing date.

Issued by

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