



**TALKING POINTS BY THE GOVERNOR OF THE BANK OF NAMIBIA**

**MR. JOHANNES IGAWAXAB**

**AT THE MEDIA CONFERENCE ON HIS 100 DAYS IN OFFICE AS GOVERNOR  
OF THE BANK OF NAMIBIA**

**Thursday, 17 SEPTEMBER 2020  
WINDHOEK**

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Director of Ceremonies,

Deputy Governor of the Bank,

Our media partners,

Good morning,

Firstly, I would like to thank you all for joining this media conference, organised to mark the first 100 days in office of the 6th Governor. The platform is created to allow me an opportunity to share the vision for my tenure as Governor of the central bank, an institution that plays an integral part in ensuring a well-functioning Namibian economy.

I have organised my thoughts around some of the questions I thought you and the general public may ordinarily want to pose to me as the new Governor.

**So, it has been 100 days since your appointment. How has the ride been thus far?**

1. The first 100 days is not the end of the ride, it is the beginning and the journey thus far has been humbling. Clearly, the opportunity to serve at the pinnacle of national finance during such an economically challenging time is gratifying, stimulating and in some respect represents a serendipitous culmination of my entire professional life. No doubt, this is true not only for me but for anyone taking up a leadership role **now**, whether in government, private business or civil society.

2. As with skillful pilots who gain their reputation by successfully navigating through storms and tempests, the greater the challenge presented in any situation, the greater the reward and benefit when the situation is mastered.
3. However, I have taken the leadership role at the Bank of Namibia at a time when the world and Namibia have been hit by the deadly Corona virus with its devastating impact on the economy. Even before this health crisis, our economy was contracting, unemployment was high and our fiscal space severely constrained if not exhausted, creating an almost perfect storm for us to face. It has been humbling to me, as I experience first-hand the resilience of the Namibian people who must face this situation daily while the pandemic dominates without a clear ending and who selflessly strive to save lives and the livelihoods of their compatriots.
4. I started as Governor with a clear 100-day plan, which revolved around three key themes: introducing myself and aligning expectations with my key stakeholders; crafting a strategic agenda; and thirdly communicating and starting the execution of the plan. I learned early in my career as a junior manager that it is imperative to swiftly answer the question: “you have been appointed what now?” The answer to this question is embodied in a 100 day-plan. If you don't have a plan, you merely respond to what is happening around you and to what others propose, rather than leading. Leading involves building an aspirational agenda, creating a game plan to execute that agenda, attracting talent to implement the game plan and uniting people around that agenda. Then the management task begins, consisting of providing the resources and environment that enables your team to win. And as this winning process is 75%-80% leadership and 20%-25% management, a clear 100-day plan is essential to succeed.

#### **Any accomplishments during the short period!**

5. Yes, since I took office there are some short-term achievements, including crafting of a strategic plan for 2021. The notable accomplishments thus far have been preparatory and focused on ensuring longer term successes.
  - a. **Stakeholder engagements:** These are aimed at building a bridge between the Bank and its constituencies, collecting intelligence relating to activities of the monetary policy committee, the financial stability mandate and operations of the economy in general. In this regard, I have met with the top leadership of the NCCI, the top leadership of the Chamber of Mines, top leadership of labour as represented by NUNW, MDs of diamond mines and diamond sales, marketing and trading companies. We are regulating and supervising commercial banks and I have visited all systemically important financial institutions. I have attended two MPC meetings. I chaired the last one where we decided to cut interest rates by 25 bps. We spent time

ensuring that the relief measures we have provided to get the economy going are implemented. I have joined the Club for CMA Central Bank Governors and had various meetings with current and former Central Bank Governors on the continent and in South America.

- b. **Internally**, we crafted the strategic plan for 2021 which will be submitted for approval during November to the Board. I have met with all the Directors of the Bank (my direct reports), and the Deputy Directors to introduce myself, listen to them and solicit ideas on how we can improve our operations. I have also reached out to my fellow Board members individually for the same reason, as the Governor serves as Chairperson of the Board of Directors at the same time as de facto CEO of the Bank.
- c. **For the broader economy, we have** published advisory notes on how to stimulate growth in the economy; collaborated with relevant Ministries to craft a growth strategy for the country; and assisted SMEs through a credit guarantee scheme to see them through the current crisis.

### **What is your vision for the Bank?**

6. My vision is to help create economic prosperity for Namibia by maintaining price and financial stability. Monetary and financial stability are necessary conditions, and we need to excel at it, but I must admit that these are not sufficient conditions for long-term prosperity. In our case, we need to contribute to creating an enabling macroeconomic and financial stability environment to help to grow the economy, create jobs and improve the livelihoods of the majority of our people. In addition, we need to focus on initiating requisite structural reforms, pitch them to relevant policy makers and assist with their effective implementation. This can only be possible if the Bank of Namibia is a well-run institution, internationally trusted, that is respected by its stakeholders and imbues both the Namibians public and its employees with a sense of pride. So, my goal is to continue to build the Bank of Namibia into such organisation. By improving and maintaining those aspirations and values of the Bank, my vision would indirectly be reached.
7. Priorities for this journey include:
  - Achieving and maintaining price stability
  - Ensuring a stable and a sound financial system
  - Implementing policies that contribute towards economic growth
  - Operating effectively and efficiently
  - Investing in our employees
8. So, simply put: my vision is to: **Fix the Bank, Modernise the Financial System and Help Secure Economic Recovery.**

## **You are not a typical Central Banker. Why did you join?**

9. You are right. I am not a typical central banker with a PhD in economics, but there are innumerable similar examples, such the current Chairman of the United States of America Federal Reserve (the Fed), the Central Bank of the USA - a lawyer by profession. I demonstrated strong business leadership and management with an advanced understanding of financial markets and good economic knowledge. Despite this, the social science of Economics has been an integral part of my academic and profession journey since I completed Economics 1, 2 & 3 at undergraduate level and later as part of the AMP at Harvard Business School.
10. I have been following Economics from the perspective of financial markets for more than 27 years and bring applied economics to the table. Economic models are useful and have their place, but economic models built on historical events must be contextualised with practical experience when faced with once-in-a century catastrophes like Covid-19.
11. My previous experience and successes in the financial markets are well-known, including my experience in the corporate world and my decision to take early retirement to start a Private Equity business from scratch. Frankly, I did not have to come to the Bank, nor did I come to build a career or a name. I made personal sacrifices, resigning from all the Boards that I served on, in Namibia and within the continent and also have taken the necessary steps to exit potential conflict of interests.

## **So, why did I decide to subordinate self-interest to national interest?**

12. I answered the call made by the country given the sheer scale of the unprecedented socio-economic challenges we face, and my belief that I have the skills and the opportunity to make a contribution. The possibility to help to reform the Namibian financial system to be ready for the 21st century and modernizing the operations of the Bank add to the challenge and to my desire to leave the Bank and the country in a better position than the one we are in now. The Bank of Namibia is an independent institution and we have every intention to discharge our mandate with technical competence and independence. I have decided to go where the challenges are the greatest. The challenges we are facing are deeper and greater than most people realise and we need everyone to make a positive contribution to overcome it. As a nation we have demonstrated that we can summit this mountain too.
13. Inflation is currently under control and interest rates at their lowest since independence. We are now required to support the other economic goals of the

Government particularly those relating to unemployment, narrowing inequality, financial stability and the efficiency of the financial system.

### **Challenges and Opportunities.**

14. The management practices that central banks require for the future differ considerably from those they applied in the past. So, we need management practices that are relevant and innovative.
15. For example, digital transactions, sound oversight over digital architectures, judgement calls on fintech risks, management of cybersecurity threats and regulation of new payment operators in an increasingly cashless world are some of the challenges.
16. Opportunities are primarily in the area of making a contribution to improve the fortunes of the economy to create jobs and raise the living conditions of Namibians.

I thank you.