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FOR IMMEDIATE RELEASE

BANK OF NAMIBIA CELEBRATES 30 YEARS OF CENTRAL BANKING EXCELLENCE

1. On Thursday, 16 July 2020, the Bank of Namibia marked 30 years of central banking excellence, under the theme: "*Delivering on our mandate: monetary policy, financial stability, and economic development*". The 30th Anniversary event was held to reflect on the Bank's journey over the past 30 years, while also looking at what the Bank could become in the next 30 years and beyond.
2. In his maiden Governor's address, Mr. Johannes !Gawaxab affirmed that the Bank has been critical in enhancing long-term macroeconomic stability in the country over the past 30 years by delivering on its core mandate of implementing monetary policy, safeguarding financial stability and promoting economic development in Namibia.
3. On the monetary policy function, the role of the Bank has been to set an interest rate path that ensures the maintenance of the value of the Namibia Dollar vis a vis its anchor currency. Governor !Gawaxab stated that the Bank has thus far done relatively well on this front. Inflation has been largely under control over the past 30 years, bringing greater predictability for economic agents. This safeguarded price stability in the interest of sustainable economic growth and development of Namibia.
4. On financial stability, Namibia boasts a stable, sound, well-regulated and a modern financial system, an achievement that has been tested against global standards. Over the years, the Bank has also dedicated its efforts towards reforming the financial sector in line with the aspirations of the Namibia Financial Sector Strategy. This is to ensure that the sector is transformed into a more competitive, resilient, developed, and inclusive instrument that should contribute to the economy at its highest potential.

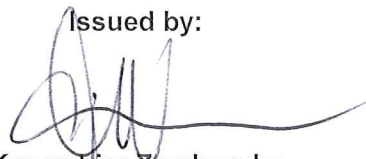


5. Similarly, in terms of modernizing the national payment system, the Bank's interventions ensured that payments and transfers of funds are done in a safe, cost effective and reasonably fast manner. Equally, the Bank has been committed to maintaining a healthy level of international reserves, as Namibia is an open economy and needs to ensure that it has adequate buffers in place to withstand financial headwinds.
6. On the currency issuance and management portfolio, the Bank continues to effectively and efficiently issue the Namibia Dollar (N\$) since its first issuance in 1993. As a result, the Bank has witnessed a steady increase in the demand and supply of currency with the value of N\$ in circulation increasing from N\$9 million in 1994 to N\$4.1 billion in May 2020.
7. The 30 years' journey of central banking in Namibia was, however, not without challenges. A major challenge at the onset was to find qualified and experienced Namibian central bankers to carry out the mandate of the Bank as enshrined in the constitution and other legislations and those were not readily available. The Bank embarked on a successful capacity building and training programme that produced skilled personnel over the years, not only for the Bank itself but for the country at large.
8. The emergence of the COVID-19 pandemic, is the immediate policy challenge for the Bank of Namibia at the moment, in terms of its impact on the economic activities and consequently the financial sector. In confronting this challenge, the Bank recently rolled out measures to preserve financial stability and smooth credit flows amidst the outbreak of the pandemic. These measures epitomise the responsiveness of the central bank to prevailing macroeconomic conditions and economic cycles and will remain broadly in force until the economy emerges from this pandemic-triggered crisis.
9. Outlining the aspirations of the central bank going forward, Governor !Gawaxab stated that for the next 30 years and beyond, the Bank needs to prepare itself to deal with the imminent digital revolution and leverage on technological innovation. This is because digital transformation brings about fundamental changes in the working modes and business models in the financial sector. Thus, the Bank will need to ensure that it has sound oversight over the digital architecture, while at the same time being mindful of the manner in which it regulates new payment operators in a gradually 'cashless' society.



10. This is in addition to the macroprudential oversight function which is now in the ambit of the central bank's mandate in terms of the Bank of Namibia Act, 2020, operational since June 2020. In this regard, the Bank is required to make sure that systematic risks, or events that can trigger the whole financial system to collapse, are identified and addressed timely with all stakeholders.
11. Lastly, the Governor assured all stakeholders that the Bank of Namibia will remain at the forefront of leading change as it navigates the challenging economic times at present. In this regard, the Bank shall continue to strengthen and sharpen its capacity to fulfil its expanding mandate better, in the areas of monetary policy, stability of the entire financial system and economic development. He thanked stakeholders for their continuous support and cooperation and called for their collaboration and efforts towards achieving future aspirations of the central bank.
12. The Governor's address is but one event in a series of events to mark the 30th anniversary of the Bank. The Bank was founded on 16 July 1990, with its legal foundation enshrined in Article 128 (1) of the Constitution of the Republic of Namibia as amended, stating that: "there shall be established by Act of Parliament a Central Bank of the Republic of Namibia which shall serve as the State's principal instrument to control the money supply, the currency, and banking institutions and any other financial institutions that may be placed under the supervision of the Central Bank by Act of Parliament, and to perform all other functions ordinarily performed by a central bank."

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