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FOR IMMEDIATE RELEASE

BANK OF NAMIBIA HOSTS SECOND TERTIARY INSTITUTIONS DEBATING CHALLENGE

1. The Namibia University of Science and Technology (NUST) won the Bank of Namibia's second Tertiary Institutions Debating Challenge, taking home a cash prize of N\$ 10,000. First-time participants, the International University of Management (IUM) was placed second, earning N\$ 5,000, and the University of Namibia (UNAM) took third prize, earning N\$ 2,500. Hilya Indongo, from the Namibia University of Science and Technology, won the title of best speaker after wowing the panel of judges with her erudite debating skills and in-depth subject knowledge. She received a monetary prize of N\$2,500.
2. The debating Challenge was held yesterday, with University Economics students competing to impress judges with their in-depth knowledge of monetary policy, precisely the fixed exchange rate between the Namibia Dollar and the South African Rand under the Common Monetary Area (CMA) Agreement. The first motion specifically asked students to provide evidence for and against the currency peg and the associated benefits derived from Namibia's 1992 entry into this relationship. The second motion sought to ascertain whether the CMA, which currently comprises four SADC countries, can serve as a springboard for a future regional currency to promote trade, investment, and deeper regional integration.
3. During the debate, the students emphasized the benefit of this arrangement in terms of lower transactional costs between Namibia and South Africa, given that Namibia imports more than 60% of its goods from South Africa. The fixing of the Namibia Dollar to the Rand has ensured that Namibia has lower-than-average inflation in Sub-Saharan Africa and that Namibia continues to import low inflation from South Africa. Namibia has also benefited from South Africa's deeper and more sophisticated financial markets. On the other hand, the loss of independence in monetary policy decisions was noted, even though evidence has shown that the country can deviate somewhat from the anchor country's monetary stance. Moreover, the Bank's own analysis continues to show that the benefits of the

exchange rate peg arrangement far outweigh the costs for Namibia, and thus the country does not intend to delink from the Rand.

4. On the second motion, students highlighted the benefits of a potential SADC currency for deeper regional integration and the promotion of trade and investment, both of which are critical for the socio-economic development within the region. However, the debating teams could not agree on the appropriate mode for achieving this, citing the various levels of development, systems, and macroeconomic conditions obtained in each SADC member country. The harmonisation of economic systems is thus considered critical before countries explore convergence arrangements toward a future SADC currency, which may or may not include the CMA as a springboard to achieve this.
5. Ms. Leonie Dunn, Deputy Governor of the Bank of Namibia, stated at the event that in a society where different groups and ideas are becoming increasingly polarised, healthy debates allow for a diversity of opinions, and in this way, engender mutual understanding and thereby enhance democracy. She stated that this year's theme was chosen solely to enhance research and multifaceted knowledge spanning several aspects of the economy. She noted that the recovery of the Namibian economy requires a collaborative policy approach through various interventions and inputs, including robust dialogue through debates that should assist in building a stronger Namibian economy based on improved fundamentals.
6. Serving as expert judges were five-panel members who examined and evaluated the key facts and assessments of the arguments; Ms. Florette Nakusera, Director of Financial Stability and Macroprudential Oversight at the Bank of Namibia and Head of the Namibia Deposit Guarantee Authority (NDGA) as head judge, Dr Reinhold Kamati, Principal Economist at the Bank of Namibia; Dr. Johan van den Heever, Technical Expert at the Bank of Namibia, Ms. Magreth Tjongarero, Head of Risk Management & Assurance at the Bank of Namibia and Ms. Naufiku Hamunime, Head of Business Development & Ecosystems at Standard Bank who served as the external judge.
7. The Bank of Namibia Tertiary Institutions Debating Challenge is one of the Bank's flagship public education initiatives aimed at increasing tertiary students' interest in economics and the role of the central bank in our economy. The challenge enabled students to improve their research and critical thinking skills while increasing their knowledge and understanding of central banking.



Issued by:

A handwritten signature in black ink, appearing to read 'Kazembire Zemburuka'.

Mr. Kazembire Zemburuka

Director: Strategic Communications and International Relations

Bank of Namibia

Tel: (061) 283 5114, Fax: (061) 283 5546 or email: info@bon.com.na