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FOR IMMEDIATE RELEASE

BANK OF NAMIBIA FACILITATES THE ANNUAL DIPLOMATIC STAKEHOLDER ENGAGEMENT

1. The Bank of Namibia, through open dialogue, continues to engage various key stakeholders on the Bank's mandate and strategic objectives. This engagement forms part of the annual Bank's stakeholder initiatives aimed at creating a better understanding of the operations and mandate of the central bank while pursuing solutions for Namibia's economic recovery and sustainable economic growth.
2. Officiating at the engagement, the Governor of the Bank, Mr. Johannes !Gawaxab expressed his gratitude for the collaboration between the Bank and its key stakeholders in exchanging ideas and cooperation to address key issues affecting the local economy: "Your presence here is evidence of a collective desire for a better tomorrow through mutually beneficial partnerships. This will further enable us to navigate our way out of these difficult times, to position this country for trade, commerce, and investment prospects, and to find innovative technology-driven and sustainable solutions to challenges facing our economy", he further stated.
3. The Bank presented the state of the global and domestic economy citing various challenges brought by the impact of COVID-19 and the ongoing Russia/Ukraine conflict. Inflationary pressures remain high as commodity prices and supply shortages take precedence. Conflict-related export disruptions are expected to continue alongside elevated energy prices and will likely exert further pressure on global food prices: "Namibia as with the rest of the world has been significantly impacted by external global shocks over the last few years with constrained economic recovery and sluggish growth. The COVID-19 pandemic was a major setback to the domestic economy with many losing their jobs on top of an already high unemployment rate not to mention the devastating loss of lives", the Governor indicated.

4. As economic spillover effects wreak havoc with high inflation, the Bank continues to safeguard price stability at all costs using the tools at its disposal as a member of the Common Monetary Area (CMA), by preventing the inflation causing high demand for wages and maintaining the one-to-one peg with the South African Rand. On economic prospects, the Governor is adamant that solutions should address high unemployment in the country, particularly among the youth while tackling high-income inequality. Efforts should be geared towards securing food and energy by promoting and encouraging both domestic and foreign investment in Namibia to build resilience to shocks. "Namibia is also excited about the prospects and opportunities brought about by her natural resources, particularly the Green Hydrogen and oil exploration. These have the potential to enhance economic growth and create the necessary confidence within the economy."
5. Through the exploration of the country's resources, the Governor reiterated that Namibia's recently launched Welwitschia Fund is a welcomed intervention that aims to facilitate the transfer of wealth sourced from the country's abundant natural resources to benefit future generations. In turn, the Fund will strengthen Namibia's fiscal stability and resilience to external shocks that stem from Namibia's interconnectedness with the global economy in the future. The Fund will be administered by the Bank.
6. Key issues emanating from the engagement included the need for public sector reforms in view of the challenges posed by COVID-19, the constrained fiscal space and the need for the Bank to increase its efforts to support the economic recovery. Emphasis was placed on creating wealth for the country from natural endowments and how these can be used to tackle economic challenges. A need was also identified to increase investments, in the agricultural sector given its enormous potential to contribute to economic growth and create more jobs, especially for the youth. Presently, however, there is a low investment in this sector, the meeting noted. The meeting also proposed for the Bank to focus on the climate change aspect that may have an impact mostly on the Agricultural sector.
7. Concluding the engagement, the Bank further called on the diplomatic community to support the economic recovery and growth initiatives of the country by presenting investment opportunities that Namibia offers to investors in their respective countries.



Foreign direct investment, coupled with private domestic investment is a catalyst for economic recovery and growth of the domestic economy going forward, the meeting concluded.

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