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**FOR IMMEDIATE RELEASE**

**BANK OF NAMIBIA RALLIES DOMESTIC ECONOMIC PLAYERS TO SUPPORT ECONOMIC RECOVERY**

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1. In line with its mandatory obligation to provide sound advice that informs robust and agile policy making, the Bank of Namibia on Thursday, 11 February 2021, hosted an economic roundtable with Chairpersons of Board of Directors and CEOs of private sector companies that mobilize investments and savings in the country.
2. The roundtable is a suitable and interactive platform established by the Governor of the Bank, Mr. Johannes !Gawaxab, which aims at discussing relevant policies to support the economic recovery with key institutions and entities, in order to find practical means of rallying support towards securing a sustainable economic recovery. Such coordinated approach is expected to yield a robust response to the anemic economic growth experienced since 2016, and which has been exacerbated by the Covid-19 pandemic.
3. In his address to business leaders, the Governor shared the economic outlook of the Bank, which forecast that the Namibian economy shall recover gradually by 2,6 percent during 2021. This is predicated by the opening up of the global economy, after the lockdowns and restrictions on travel experienced in 2020 due to the Covid-19 pandemic. In this regard, demand for Namibia's exports (especially minerals) is expected to start picking up gradually in 2021 as major economies are projected to make full recoveries, which bodes well for the recovery of the domestic economy.
4. While growth is expected to pick-up, the forecasted levels fall far short of the boom observed in years prior to 2016 and will therefore not be adequate to fulfil developmental aspirations and make a dent on unemployment, poverty and inequality.

5. Enumerating the challenge of reviving the economy, the Governor stated the following:  
“The current weak growth being witnessed in the domestic economy is clearly reflected in four critical elements of the national income identity: **consumption spending by households** which is constrained because of souring unemployment as a result of COVID-19 pandemic, while **government spending** is equally constrained due to limited fiscal space. **Net exports** are also severely affected by global demand and low commodity prices. The most critical element that can be relied upon at this critical moment to help grow the Namibian economy is **investments**, both domestic and foreign direct investments. Therefore, concerted effort both from the public and private sector is needed to unlock the country’s investment potential”.
6. Rounding up the discussions, Governor !Gawaxab highlighted key fundamentals to economic recovery, stating that the economy needs confidence, investments and Covid-19 vaccination to return to normality.
7. The roundtable discussed means of enhancing domestic investments in the country and how best to adapt the policy environment so that businesses are able to invest more or explore new opportunities within the economy. The roundtable agreed that Namibia should pursue an aggressive economic turn-around strategy to enhance growth and income outcomes. The discussion will inform continuous efforts by the central bank to find practical and home-grown solutions to the structural challenges besetting the economy.

Issued by:



**Emma Haiyambo (PhD)**

**Director**

**Department of Strategic Communications and Financial Sector Development, Bank of Namibia, Tel: (061) 283 5114, Fax: (061) 283 5546 or email: [info@bon.com.na](mailto:info@bon.com.na)**