



## BoN NEWS

# UNAM & BoN PARTNER TO PROMOTE RESEARCH AND DEVELOPMENT

In line with the agreement of cooperation between the Bank of Namibia and the University of Namibia, the two institutions have joined efforts to facilitate access to research done by researchers of both institutions to stakeholders and the general public.

Spearheading this collaboration is the Bank's Research Department, and the University of Namibia's (UNAM) Economics Department through a series of conferences to share economic research with the ultimate aim of contributing to a culture of empirical and conceptual research that informs Namibia's development. The first joint conference was held at the Bank of Namibia on 14 May 2018 under the theme "Namibia - Internal and External Stability". Three papers in the areas of Monetary Policy and Balance of Payments (BoP) were presented to the audience.

The journal paper titled Empirical Analysis of the Monetary Approach to the Balance of Payment in Namibia was presented by Dr Postrick Mushendami, the Bank of Namibia's Deputy Director: Macro Models and Financial Stability. The paper found that monetary variables are not the only cause of variations in the net foreign asset (NFA) position (the value of the assets that Namibia owns abroad, minus the value of the domestic assets owned by foreigners in Namibia). The study recommends that in order to improve the BoP, Namibian authorities should consider using monetary and fiscal policies aimed at reducing domestic credit and fiscal deficits.

UNAM's Head of the Department of Economics, Dr Teresa Kaulihowa presented a paper titled E-Banking & commercial banks performance in Namibia which examines the impact of e-banking on commercial banks' performance in Namibia. Dr Kaulihowa shared that there exists a one-directional influence from return on investment to



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interbank settlement system and cheques, which indicates that an increase in the return on investment is likely to enhance innovation and development. Furthermore, the results from the study found a two-way directional influence between the volume of electronic funds transfers and return on investment. Policy implications emanating from this study suggest that stable macroeconomic conditions that enhance return on investment are good stimulants to drive innovations and technology, that will ultimately contribute to economic development.

With the aim of soliciting input for the paper, Mr Erwin Naimhwaka, the Bank of Namibia's Deputy Director: Policy Research & International Affairs presented a work in progress paper titled: An empirical analysis of the sustainability of Namibia's Current Account. This paper assesses the sustainability of Namibia's current account position – which

reflects the difference between import and export values and the main macroeconomic factors of the current account, over a period of 1990 to 2016 using quarterly and annual data.

In her closing remarks, Ms Florette Nakusera, the Director for Research at the Bank, reiterated the purpose of the UNAM-BON joint conference series, which is a platform created for sharing research papers between the two institutions as well as with the entire nation, in order to inoculate the culture of Research and Development within the country and to narrow the existing literature gaps. The two institutions plan to host three more joint conferences in 2018, where the public will be invited.

The papers presented by Dr Postrick Mushendami and Mr Erwin Naimhwaka can be accessed on the Bank of Namibia website: [www.bon.com.na](http://www.bon.com.na).