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Attention: News Editor

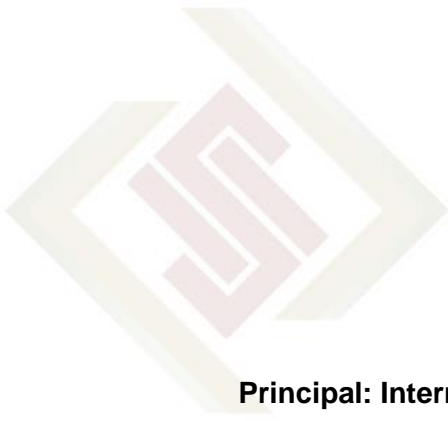
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GOVERNOR! GAWAXAB CHAMPIONS ECONOMIC RESILIENCE AND FINANCIAL INNOVATION AT 2024 CIRRUS INVESTOR CONFERENCE

1. The Bank of Namibia, participated in the 5th edition of the Cirrus Investor Conference. Taking place in Swakopmund between 9-10 April 2024, the conference drew development finance institutions, institutional asset managers, listed companies, state-owned enterprises, and Government Ministries, offices and agencies together to connect Namibian securities issuers and potential issuers, with investors from around the world.
2. Speaking at the event, the Governor of the Bank, Mr. Johannes !Gawaxab provided the opening address and used the opportunity to unpack the forces impacting Namibia's economic trajectory and financial outlook. Emphasizing the Bank of Namibia's commitment to price and financial stability, the Governor outlined the Bank's key initiatives aimed at modernising the financial system amidst unprecedented global challenges driven by geopolitical tensions, climatic swings, and the energy transition.
3. Governor !Gawaxab addressed growing concerns over stubborn inflation, emphasising the importance of maintaining price stability. He provided insights into Namibia's inflationary trends, citing average inflation rates of 2.2% in 2020 and 3.6% in 2021, which surged to 6.1% in 2022 and 5.9% in 2023. Acknowledging the impact of these inflationary pressures on the populace, he stressed the need for robust policy-making to mitigate uncertainties and anchor inflation expectations.
4. Despite the challenges posed by the Covid-19 pandemic, Namibia's financial system has demonstrated resilience, remaining stable and sound. The banking sector has sustained solid profitability and robust capitalisation. Looking ahead, the Namibian economy is projected to experience a modest slowdown in 2024 before rebounding in 2025, driven primarily by the Agriculture and Mining sectors.

5. The Governor also highlighted the recent launch of the Bank of Namibia's Annual Report for 2023, underscoring the institution's commitment to transparency and accountability. Amidst a high-interest-rate environment, the Bank's financial performance has been robust, enabling the declaration of a dividend exceeding half a billion Namibian dollars to the Government of the Republic of Namibia.
6. In alignment with its Strategic Plan, the Bank of Namibia remains steadfast in its mission to drive digital and financial inclusion across all sectors of Namibian society. Initiatives such as the Instant Payment Solution, the Central Securities Depository (CSD) Project, and the exploration of Central Bank Digital Currencies (CBDCs) are pivotal in modernising the financial landscape and fostering greater inclusivity.
7. The introduction of the Instant Payment Solution is poised to revolutionize financial transactions, particularly in rural and informal sectors, by enabling instant and secure transactions without the need for physical travel or costly intermediaries. Moreover, the establishment of Namibia's first CSD marks a significant milestone towards enhancing trading efficiency and attracting global investors.
8. The Bank of Namibia's exploration of CBDCs reflects its commitment to embracing innovative solutions for enhancing payment systems and promoting financial inclusion in the digital age. As part of the Common Monetary Area (CMA) countries, Namibia is also exploring the potential of CBDCs in modernising cross-border payments.
9. Addressing concerns over international standards compliance, Governor !Gawaxab reaffirmed the Bank's commitment to safeguarding the financial system. Despite Namibia's recent grey-listing by the Financial Action Task Force (FATF), robust due diligence measures are in place to ensure continued transactional safeguards and swift resolution of identified gaps.
10. Said Governor !Gawaxab: "The unprecedented challenges and untapped opportunities we face in enhancing the well-being of Namibians today demands a novel approach, devoid of a pre-existing playbook. Our task is to craft a new strategy, with clarity in our objectives and transparency in our communication. Thus, our forward momentum necessitates a bold departure from conventional thinking to embrace innovative solutions for the benefit of our businesses and nation."



Issued by:

A handwritten signature in black ink, appearing to read 'Naufiku Hamunime'.

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