

MEDIA STATEMENT



Bank of Namibia

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FOR IMMEDIATE RELEASE

BANK OF NAMIBIA SYMPOSIUM SHIFTS FOCUS FROM OIL DISCOVERY TO LONG-TERM VALUE

1. The Bank of Namibia yesterday hosted its 2026 Annual Symposium under the theme “Namibia’s Pre-Oil Production Phase: Assessing Choices That Unlock Long-Term Economic Value.” The Symposium brought together policymakers, regulators, industry representatives, academia and local and international experts to assess Namibia’s preparedness for the transition from petroleum exploration to potential production.
2. The discussions focused on the policy, institutional, regulatory and economic measures required ahead of first oil, with particular emphasis on institutional capacity, revenue management, local participation, skills development, environmental safeguards and the integration of the emerging petroleum sector into the broader economy. The Symposium featured three technical presentations and a panel discussion on strengthening governance, institutional capacity and legal frameworks in the oil and gas industry.
3. Governor of the Bank of Namibia, Mr Ebson Uanguta, said the pre-production period provides Namibia with an important opportunity to strengthen the foundations required to maximise the long-term benefits of its petroleum resources. He reflected on three priorities that should guide Namibia during the pre-production phase. At the forefront is building domestic capabilities, particularly the skills, expertise and entrepreneurship required for meaningful participation in the sector. Alongside this is the need for strong institutions and an effective regulatory framework, supported by effective coordination and appropriate safeguards. Completing these priorities requires deliberately building linkages between oil and gas and the wider economy, enabling Namibian enterprises to progressively compete for and capture opportunities created by the sector.

4. The Governor further highlighted the potential implications of petroleum development for Namibia's macroeconomic and financial environment, including the balance of payments, economic growth, inflation and financial sector risk. He indicated that the Bank is strengthening its macroeconomic forecasting frameworks and financial stability surveillance to prepare for these developments. "The opportunity before Namibia is therefore not only the petroleum beneath our waters. It is the opportunity we have today to prepare deliberately for the economy we want tomorrow," Governor Uanguta said.
5. Delivering the keynote address, Hon. Modestus Amutse, Minister of Industries, Mines and Energy, outlined the government's priorities for converting petroleum discoveries into tangible national value. He highlighted the need for fit-for-purpose legislation, capable institutions, a strong national petroleum company and effective environmental protection, while pointing to the Cabinet's approval of the Local Content Policy framework as an important step towards increasing Namibian participation. He stressed that local content must go beyond access to contracts and instead build Namibian businesses that can meet industry standards, invest, learn and compete.
6. The Minister also placed financing and revenue management firmly within the pre-production agenda. He called for closer coordination among the Government, the Development Bank of Namibia, commercial banks, insurers, and operators to develop financing solutions based on credible contracts and to improve procurement visibility for Namibian suppliers. At the same time, he emphasised that petroleum revenues must be managed with discipline through mechanisms such as the Welwitschia Fund, while investment in ports, power, water, logistics and skills should support the wider economy and Namibia's industrial ambitions under NDP6. "The true measure of first oil will not be the first barrel sold. It will be the capabilities that remain in Namibia long after the last barrel is gone," Minister Amutse said.
7. The first technical presentation, delivered by Dr Emma Haiyambo, Director of Research and Financial Sector Development at the Bank of Namibia, assessed Namibia's institutional, regulatory and economic readiness for first oil. The presentation showed that the emerging sector is already having a measurable impact on the economy, with oil and gas attracting approximately N\$74.4 billion in foreign direct investment between 2021 and 2025, representing roughly 56 percent of total FDI inflows. Exploration activities also accounted for an average of about 30 percent of Gross Fixed Capital Formation between 2022 and 2025.

8. The assessment found that Namibia has already initiated several preparatory measures but identified areas requiring further attention before production. These include finalising legal and regulatory instruments, strengthening institutional mandates and capacity, advancing local content legislation, addressing specialised skills gaps and enhancing public communication around petroleum development. The presentation also identified production-timeline uncertainty, fiscal pressures, the Dutch Disease, and environmental impacts as key risks requiring active management.
9. In the second presentation, Prof. Jenik Radon, Adjunct Professor at Columbia University's School of International and Public Affairs, shared international lessons on the management of oil and gas resources. He emphasised that the difference between long-term prosperity and the resource curse rests significantly on the quality of institutions, laws and regulations, professional expertise, revenue management, environmental safeguards and the ability of governments to negotiate and manage complex petroleum agreements effectively.
10. Prof. Radon advocated a deliberate and patient approach to petroleum development, describing this as the "Turtle Theory of Development." Drawing particularly on Norway's experience, he highlighted strong governance and transparency, clear legal frameworks, environmental regulation and disciplined sovereign wealth management as important elements of successful resource governance. He further stressed the need for Namibia to build sufficient legal, technical, financial and accounting expertise to negotiate and manage petroleum arrangements on an informed and equal footing.
11. The third presentation was delivered by Mr Alex Nyombi, Director of Development and Production at the Petroleum Authority of Uganda, who shared Uganda's experience in developing the institutional and regulatory architecture for its petroleum sector. He highlighted the importance of separating policy and licensing, regulatory and commercial functions, and of supporting institutions with adequate independence, technical capacity, and resources to administer and enforce petroleum legislation effectively.
12. Mr Nyombi further emphasised that national participation should begin before production through deliberate investment in employment, skills development, enterprise development, locally produced goods and services, and technology transfer. Uganda's experience showed that between 2017 and 2025, petroleum licensees awarded contracts valued at

US\$7.2 billion, of which US\$2.2 billion went to Ugandan entities, while more than 14,000 Ugandans and over 4,000 SMEs received targeted training and capacity building.

13. The Symposium also featured a panel discussion on strengthening governance, institutional capacity and legal frameworks in the oil and gas industry, comprising Mr Shakwa Nyambe, Managing Partner of SNC Incorporated; Mr Alex Nyombi; Prof. Jenik Radon; and Ms Mahnaem Haidula, Head of Domestic Taxes at the Namibia Revenue Agency. The panellists emphasised the need for institutions to assess their readiness across legal and policy frameworks, skills and capacity, systems and processes, governance and inter-institutional coordination. The discussion also stressed the importance of a comprehensive and predictable legal framework, effective management of revenue and production costs, sustained investment in training and capacity building, and open and continuous engagement with the public as the sector develops.
14. In closing, Deputy Governor of the Bank of Namibia, Mr. Nicholas Mukasa reflected that Namibia's pre-production window must be used deliberately to translate discussion into coordinated action. He emphasised that petroleum development should strengthen, rather than crowd out, the broader economy, with resource revenues directed towards productive infrastructure, human capital, industrialisation, energy security and economic diversification. He further underscored the importance of enforceable local content, sound petroleum tax administration, environmental protection, transparency and proactive management of public expectations.

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