

Date: 03 May 2023

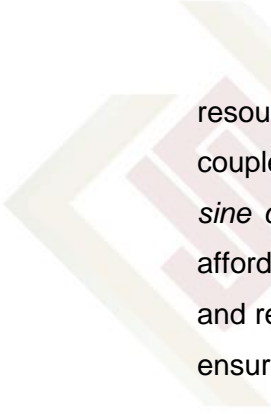
Attention: News Editor

Ref: 8/1/2/2

FOR IMMEDIATE RELEASE

GOVERNOR !GAWAXAB CALLS FOR INTEGRITY OF GOVERNANCE AS NAMIBIA PREPARES FOR OIL AND GAS FUTURE

1. The Bank of Namibia, recently participated in the 5th edition of the Namibia International Energy Conference, held under the theme, 'Shaping the Future of Energy Towards Value Creation'. The conference drew policymakers, energy leaders, and industry professionals from across the continent and beyond together to engage, discuss and gain valuable strategic insight into shaping Namibia's role in driving value creation within the global energy landscape.
2. Speaking at the event, the Governor of the Bank, Mr. Johannes !Gawaxab used the opportunity to highlight the country's need to build competent and accountable institutions in order to ensure a level playing field for all actors operating in the industry. He said the integrity of government institutions is vital to ensure the country maximises the benefits of its oil industry.
3. Namibia's recent oil and gas discoveries present a transformational opportunity to shift the country's economic structure and increase foreign reserves and transform the country into a major player within the regional energy market. However, this will only be possible if the country invests in local workforce development and ensures that it intentionally empowers Namibians to be active participants in the industry rather than passive spectators.
4. Governor !Gawaxab shared key recommendations related to growth-enhancing policies, investment-related reforms, and environmental and climate-related considerations with the conference participants.
5. Under growth-enhancing policies, Namibia must build competent and accountable institutions to avoid the resource curse. International experience has shown that



resource-rich countries tend to be more prone to corruption due to their large rents coupled with weak governance structures. The integrity of our institutions is a *condicio sine qua non* - an indispensable action and essential factor which Namibia cannot afford to compromise on. As such, the country needs to develop a transparent legal and regulatory framework to govern the industry in order to level the playing field and ensure that there is no corruption or favouritism.

6. Additionally, maximize local value creation and industrialization. To this end, the local content policy published in draft form should specifically aim to maximize the benefits to Namibian citizens. This will be achieved by enhancing and developing strategies that will target the participation of Namibian labour, goods and services, companies, ownership and financing along the value chain.
7. Under investment-related recommendations, targeted incentive packages are required to reduce the investment risks faced by early adopters in the oil and gas sector and related initiatives. This may extend to other sectors of strategic importance. The environmental and climate-related considerations highlighted the significant impact oil production can have on the environment, and as such, implementing measures that mitigate these impacts will be crucial.
8. Finally, the Governor highlighted the head-start the country had made in promoting the equitable distribution of the benefits of Namibia's natural resource through the establishment of the newly launched sovereign wealth fund, the Welwitschia Fund. Managed by the Bank of Namibia under the auspices of the Ministry of Finance, the Welwitschia Fund will facilitate the transfer of wealth sourced from Namibia's abundant natural resources so that generations to come also benefit even long after the current resource base is depleted. With the Fund, the country is better positioned to institute long-term oil and other natural wealth management.
9. While oil can provide significant revenue in the short term, it is imperative that the country's economic structure is diversified in order to reduce Namibia's dependence on a single commodity. There are many examples around the world where countries have obtained windfalls from oil and gas but eventually ended up poorer than before. As such, Namibia must avoid the resource curse by learning from the experiences of others and implementing the necessary recommendations and policy considerations early on.

10. "Namibia has the potential to punch well above her weight and size and become an energy exporter. As we move forward in crafting the future of Namibia's energy landscape, let us remember that our natural resources are not infinite, but the benefits they bring can be. Therefore, we must strive to develop a sustainable and equitable framework that maximizes the benefits to all Namibians, both now and in the future. Let us work together towards a prosperous and inclusive Namibia."

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