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FOR IMMEDIATE RELEASE

POST COVID ECONOMIC RECOVERY SEMINAR RECOMMENDS PRIORITIES TO GET THE RECOVERY STARTED

1. On 22 February 2022, the Bank of Namibia hosted a seminar titled "Mapping Namibia's Post-Covid Economic Recovery," which advanced key strategies to address challenges impeding Namibia's economic recovery. As a result, the seminar outlined specific evidence-based solutions for revitalising Namibia's economy in the short to medium term.
2. According to the seminar, COVID-19 hit Namibia harder than its peers and South Africa because the country was already in a prolonged recession when COVID-19 hit the economy. As a result, the entire economy experienced significant contraction and a slow recovery, particularly in tourism and manufacturing.
3. The seminar highlighted the barriers to structural economic transformation. These include a misaligned skill profile, and a relatively high tax burden for individuals and corporations compared to other countries. Other challenges identified include business-inhibiting regulations, access to capital, labour-market reforms, communal land reform, and the ease of doing business in Namibia.
4. The seminar emphasised the importance of Namibia optimising its natural resource stewardship, revamping the role of the public sector as an enabler for private sector led growth, and creating opportunities that include Namibians in the growth process. Although not stimulating growth in the short run, the seminar noted that fiscal consolidation is required to restore fiscal stability an important ingredient or condition for long term sustainable growth.

5. Furthermore, the recovery of existing capacity, such as tourism post-COVID-19, and existing tradable activities with large multiplier effects on the rest of the economy, such as mineral resources and agriculture, must drive growth. Similarly, new diversification initiatives such as green energy, parts of manufacturing, logistics, and services have a lot of potential while the ICT and digital transformation are key enablers and represent new opportunities that must be exploited in the economic recovery process.
6. In this regard, Namibia's recovery is dependent on how it implements the diversification plan of its economy currently being spearheaded by the government and the Harvard University Growth Lab. The seminar acknowledged that key products with export opportunities in food, metals, mining and adjacent industries, chemicals and basic materials, machinery and electronics, transportation and logistics identified through the diversification plan, can facilitate structural economic transformation.
7. In addition, the seminar identified access to financing and interventions aimed at preserving SMEs and putting them on a sustainable footing in order for them to thrive in a post-Covid-19 environment. Other recommendations include SME and informal sector development, targeted investment promotion from both domestic and foreign sources, as well as skills development in highly sought fields.
8. Lastly, the seminar recommended that ensuring accountability in all government investments and achieving greater efficiency in government spending should be underscored. This can be accomplished through better prioritisation, which includes restructuring, liberalisation, and, if necessary, the closure or reform of non-performing state-owned enterprises.
9. The seminar also emphasised the importance of Namibian stakeholders cooperating and coordinating their efforts. This will foster a shared understanding of what needs to be done to address the challenges and aid in the recovery. The combined efforts of private and public sector stakeholders are critical for Namibia's recovery. This will go a long way toward instilling optimism and increasing investor confidence.

10. The event brought together policymakers, business leaders, experts, representatives of civil society, and professionals from local and international organisations, as well as academic institutions.

11. A link to presentations by various speakers as well as a summary of the recommendations can be found here: <https://bit.ly/3tk9aLn>

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