

Date: 11 October 2021
Attention: News Editor
Ref: 8/1/2/2

FOR IMMEDIATE RELEASE

NAMIBIA STACKS UP WELL DESPITE COVID-19 IMPACT ON THE ECONOMY SAYS GOVERNOR !GAWAXAB

1. The Governor of the Bank of Namibia, Mr. Johannes !Gawaxab, is confident that Namibia can rebound from the economic scarring accentuated by the Covid-19 pandemic, as he explained in a public lecture hosted at the University of Namibia campus in Keetmanshoop on 07 October 2021, titled: *How Namibia Stacks Up amid the Impact of Covid-19*.
2. Mr. !Gawaxab made a compelling case for Namibia as a country endowed with natural beauty, diversity and resources. In this regard, the country punches above its weight despite its relatively small size in terms of population on the African continent. Several indicators validate Namibia's strong showing on metrics such as governance, competitiveness and overall development since independence, he enthused.
3. In this regard, Namibia made steady progress over the past three decades reducing income inequality and poverty, while improving the quality of life for most Namibians. On infrastructure development, for example, Namibia's roads are ranked highest on the continent, and the overall logistics sector is ranked number five in Sub-Saharan Africa.
4. However, the Covid-19 pandemic, the Governor warned, being a historic calamity of unprecedented proportion has the potential to wipe out the good progress on all fronts. Overall, the country's real GDP contracted by 8.5% in 2020, with the worst-hit sector hotels and restaurants, shrinking by 31.2%. The economy is only expected to recover gradually during 2021 by 1.4% then improve to a 3,4% growth rate in 2022.
5. Retrenchments and job losses, reported at 13 000 during 2020 and the first half of 2021, have seen Namibians being laid off as a direct consequence of the

pandemic, exacerbating the precarious unemployment situation in the country. Job losses and reduced income have affected the ability of some owners to repay their instalment credit due to the prolonged weak economic environment, now worsened by the pandemic.

6. While the setbacks are evident at both individual and national levels, the pandemic has provided an opportunity to reset and rebuild the economy on sound fundamentals. For this reason, the central bank, has continued to support the economy through interventions implemented since April 2020 which have softened the blow on the economy and provided much needed relief to struggling borrowers. The unprecedented relaxation of certain regulations by the Bank as the regulator of commercial banks has made it possible for banks to lend to critical sectors in the economy while also providing borrowers an opportunity to negotiate repayment conditions on their loans. These relief measures coupled with a low interest environment and low inflation continue to support growth in the economy.
7. Stated the Governor: “Building on its strong points, Namibia can emerge from the constraints posed by Covid-19, and addressing its challenges with urgency and resolve, a return to vibrant growth is in sight. There are several promising projects and initiatives to reinvigorate growth, also here in the South, on the horizon. Continuous reforms and better macroeconomic management coupled with investments and adapting to a changing landscape are inevitable and crucial to secure a recovery going forward.”
8. The Governor restated the central bank’s commitment to play its role in supporting growth through financial stability, well-contained inflation, and growth-supporting interest rates. However, monetary and fiscal policies can only do so much, and the road to recovery is presently affected by a slow uptake of vaccinations in some parts of the country, which impacts on the country’s ability to resume economic activities.
9. Mr. !Gawaxab said that trivializing Covid-19 and vaccine hesitancy can be disastrous as the country is not out of the woods yet. Stepping up of vaccination is a crucial element of reviving the economy which needs to enjoy the support of everyone.

Issued by



Dr Emma Haiyambo

Director

Department of Strategic Communication and Financial Sector Development Bank of
Namibia,

Tel: (061) 283 5114, Fax: (061) 283 5546 or email: info@bon.com.na