



The Governor Ipumbu Shiimi (seated, second from the left), Deputy Governor, Ebson Uanguta (standing, fifth from the right), and officials of the Bank with the diplomats

BoN Governor positive about Namibian growth prospects

The Namibian economy is showing signs of modest recovery in 2017 and could perform better this year than the 1.1% growth recorded in 2016 says Ipumbu Shiimi, Governor of the Bank of Namibia, in an address to more than a dozen diplomats who honoured the Bank's annual Diplomatic Stakeholder Engagement.

"The picture looks much better than 2016, commodity prices have been improving of late and the drought that impacted the agricultural sector for the past three years is gone and therefore we are seeing improvements. But the picture is not rosy yet."

Although commodity prices have been on a recovering trend during the first half of 2017, compared to same period in 2016, prices of uranium are still on the lower side during the first half of 2017. This is due to a global oversupply and high inventories. This has dampened the cause for optimism given the reliance of the Namibian economy on the extractive industry.

In the Economic Outlook released in July, the Bank projects growth to average 2.1% in 2017 and 3.8% in 2018, largely due to improved growth in the agriculture, mining and electricity and water sectors.

The Governor told the Ambassadors, High

Commissioners and heads of multilateral organisations that for Namibia to realise high growth it needs to address structural issues in the economy.

This will entail a diversification from the mining sector to other sectors that will build the productive capacity of the economy. This needs to happen while at the same time staying the course in terms of the ongoing government fiscal consolidation.

"Namibia has already identified a number of sectors, including turning the country into a logistics hub, re-organising the agricultural sector to create more jobs, improving the tourism sector and linking it to the infrastructural plan so as to maximise the growth of the sector, if we roll up our sleeves and do all these things we have identified we will realise our developmental aspirations," commented Shiimi.

The Bank values its stakeholder engagements which continue to rank high on the Bank's annual calendar.

In keeping with previous engagements, the diplomats held frank discussions on the Namibian economy, policy interventions and the financial sector which is the backbone of the economy.