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**FOR IMMEDIATE RELEASE**

**RESPONSE TO GLOBAL FINANCE CENTRAL BANKERS' REPORT**

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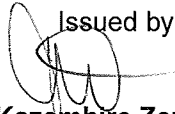
1. The Bank of Namibia has taken notice of the rating assigned to the Governor of the Bank, Mr. Johannes IGawaxab, in the latest edition of the Global Finance Central Banker's Report.
2. Acknowledging that these ratings are computed with input from analysts, economists, and other subjective sources, the Bank has noted with grave concern the inconsistency in the rating and subsequent reports stemming from the subjectivity of the interpretations of the ratings. These reports and the conclusions thereof appear fundamentally flawed. For example, an attempt to correlate the actions of the central bank and the performance of the Governor, to the overall macroeconomic conditions in the country is inaccurate and highly misleading as the Bank is restricted to its role of ensuring monetary and financial stability.
3. Also, to the contrary, it is common cause that Namibia's macroeconomic stability has been tested during the preceding two years due to the Covid-19 pandemic. During such difficult economic times confidence tends to be affected negatively. Notwithstanding the unprecedented shocks on the economy and financial institutions, Namibia has emerged relatively resilient thanks to the prompt measures undertaken by key stakeholders, including the Bank of Namibia. These measures were taken to maintain credit flow and to ensure that the domestic market was liquid - conditions essential in averting a crisis and a deeper recession.
4. As alluded to earlier, the deterioration of general confidence induced by Covid-19 has continued to undermine the effectiveness of central banks' measures amid the already-low credit uptake, which further negatively affected consumption and investment which are key elements for economic recovery.



5. The Bank is also aware that when Covid-19 hit our shores, the economy was already reeling from slowed economic activity, limiting to some extent the effectiveness of the Bank's measures. Notwithstanding the constraints cited, the central bank measures and policy actions in no doubt have helped the economy not to sink into a deeper recession and scarring as inaction would have resulted in an otherwise worse outcome.
6. It is worth reminding that the two key responsibilities of the Bank of Namibia are to ensure monetary stability and financial stability. Namibia's inflation and policy rates are at historic lows, and we continue to support individual households and businesses to weather the pandemic-induced storm. We have a stable, modern, and sound financial system despite serious challenges introduced by COVID-19 – banks remain profitable, well capitalised, payments and settlements continue uninterruptedly and so does credit provisioning. We continue to work closely with government, private sector agencies to ensure economic recovery and sustainable economic development going forward.
7. During these difficult times, the Bank is proud of the collective work to steer the ship led ably by the Governor of the Bank. The Bank continues to preside over price stability through the maintenance of the one-to-one peg between the Namibia Dollar and the South African Rand coupled with a safe and stable financial system that is highly rated on the continent.
8. Therefore, the rating does not invalidate the significant contributions of the monetary authority during the past 19 months. The decisions taken have effectively stabilised the system and provided a solid foundation for economic agents and authorities, to build on, in continuous efforts to recover the economy.
9. We remain confident that the bold measures undertaken, including maintaining accommodative stance at the last MPC meeting and further extension of the relief measures, have been appropriate given the economic conditions prevailing at the time, even with the benefit of hindsight.
10. Ultimately, the Bank is accountable for its actions to the Namibian people. In this regard, the Bank's actions are guided by data, economic conditions, and monetary arrangement and not by opinions and wish lists. The record speaks for itself. For this



reason, the Bank wishes not to dwell on the ratings nor attach weight thereof, as they appear to lean more towards the subjective side of the spectrum.

Issued by  


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