

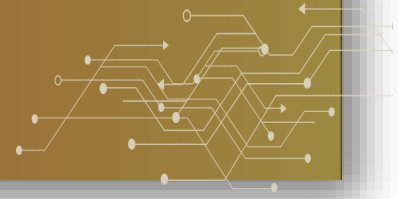


# MONETARY POLICY ANNOUNCEMENT

16 APRIL 2025



# PRESENTATION OUTLINE



Macroeconomic  
Implications of  
the US trade  
policies for  
Namibia

01

Namibia's  
Banking  
Sector

02

HGG  
Banknote  
Issuance

03

Summary &  
Conclusion



The background image shows a busy port scene. A large cargo ship is docked at a concrete pier, with its deck visible and stacked with colorful shipping containers (green, red, and blue). Several large cranes are positioned along the pier, some with their booms extended. The sky is blue with scattered white clouds. In the foreground, a large dark rock sits on the pier. A white circular graphic element is overlaid on the left side of the image, containing the title text.

# MACROECONOMIC IMPLICATIONS OF THE US TRADE POLICIES FOR NAMIBIA

# ➤ Tariff regimes and their strategic applications in trade policy

1

**Import tariff -  
levied on  
imports**

2

**Export tariff -  
levied on  
exported  
goods**



Tariffs influence trade flows, consumer prices, and domestic industry competitiveness, often protecting local producers while potentially increasing costs for consumers and straining international trade relations.



# ➤ A disruptive trade war is currently underway



# United states' key import sources (US\$ 3 Trillion for 2024)

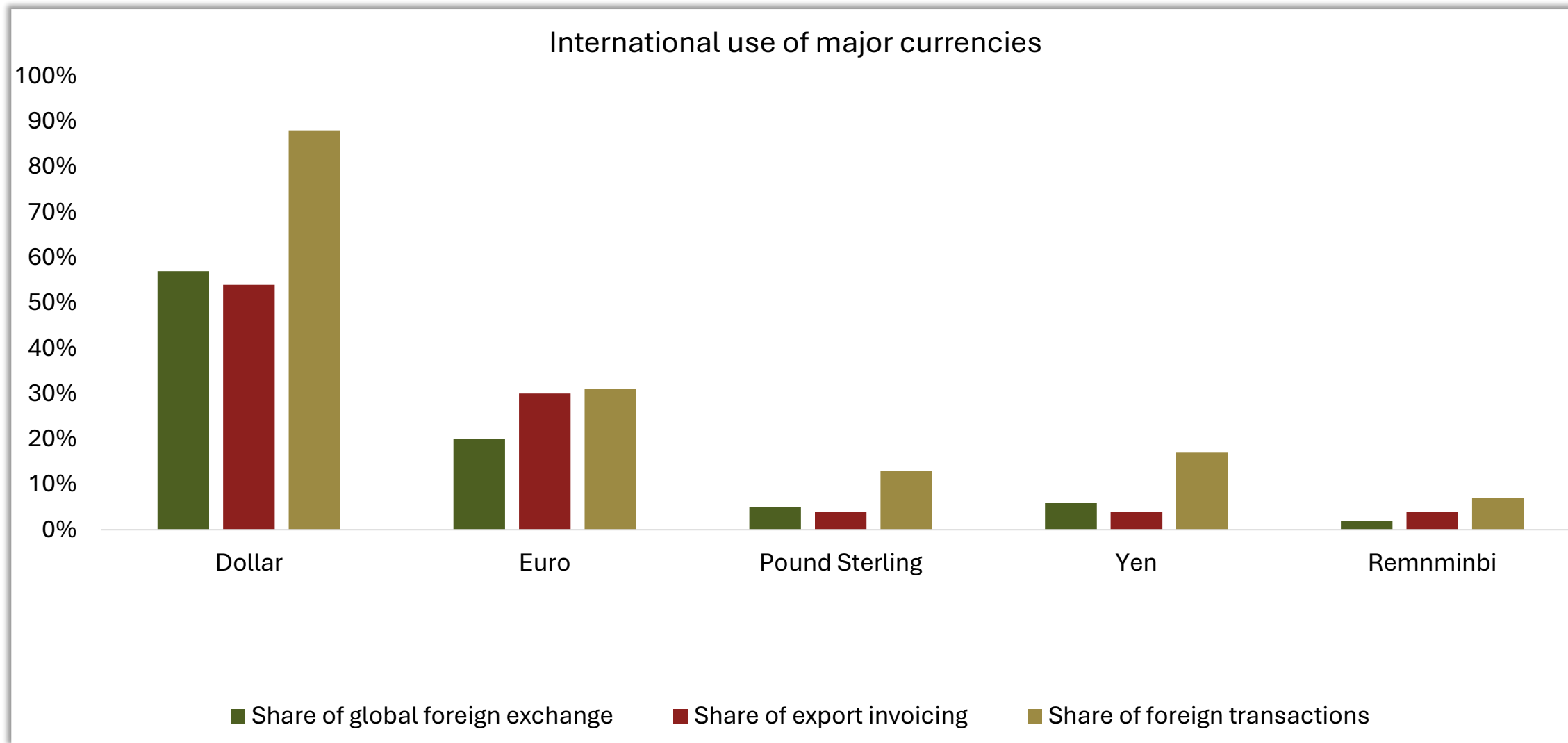
Exporters	Share in value in United States of America's imports, % in 2020	Share in value in United States of America's imports, % in 2021	Share in value in United States of America's imports, % in 2022	Share in value in United States of America's imports, % in 2023	Share in value in United States of America's imports, % in 2024
World	100	100	100	100	100
Mexico	13.7	13.2	13.6	15.1	15.2
China	19	18.4	17.1	14.1	13.8
Canada	11.5	12.5	13.3	13.6	12.6
Germany	4.9	4.7	4.5	5.1	4.9
Japan	5.1	4.7	4.6	4.8	4.5
Viet Nam	3.5	3.7	4	3.7	4.2
Korea, Republic of	3.3	3.4	3.6	3.8	4
Taipei, Chinese	2.6	2.7	2.8	2.8	3.5
Ireland	2.8	2.5	2.4	2.6	3.1
India	2.2	2.6	2.7	2.8	2.7
Italy	2.1	2.1	2.1	2.4	2.3
United Kingdom	2.1	2	1.9	2.1	2.1
Thailand	1.6	1.7	1.9	1.8	2
Switzerland	3.1	2.2	1.8	1.7	1.9
France	1.8	1.8	1.8	1.9	1.8
Malaysia	1.9	2	1.7	1.5	1.6
Brazil	1	1.1	1.2	1.3	1.3
Singapore	1.3	1	1	1.3	1.3

# United states' key export markets (US\$ 2 Trillion for 2024)

Importers	Share in value in United States of America's exports, % in 2020	Share in value in United States of America's exports, % in 2021	Share in value in United States of America's exports, % in 2022	Share in value in United States of America's exports, % in 2023	Share in value in United States of America's exports, % in 2024
World	100	100	100	100	100
Canada	17.9	17.5	17.2	17.5	16.9
Mexico	14.8	15.8	15.7	16	16.2
China	8.7	8.6	7.5	7.3	7
Netherlands	3.2	3	3.5	4.1	4.3
United Kingdom	4.1	3.5	3.7	3.7	3.9
Japan	4.5	4.3	3.9	3.8	3.9
Germany	4	3.7	3.5	3.8	3.7
Korea, Republic of	3.6	3.8	3.5	3.2	3.2
Brazil	2.4	2.7	2.6	2.2	2.4
Singapore	1.9	2	2.2	2.1	2.2
France	2	1.7	2.3	2.2	2.2
Taipei, Chinese	2.1	2.1	2.1	2	2.1
India	1.9	2.3	2.3	2	2
Australia	1.6	1.5	1.5	1.7	1.7
Belgium	1.9	1.9	1.7	1.9	1.7

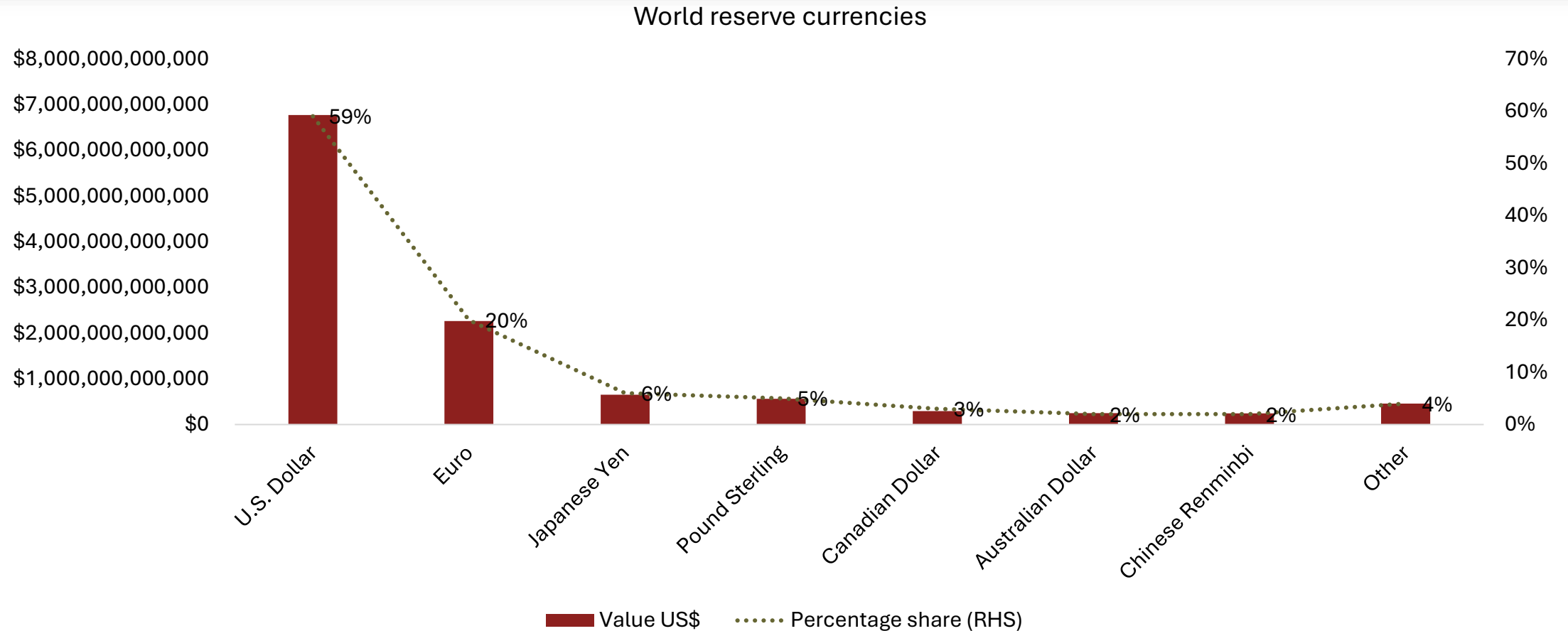


# US dollar dominance remains strong in reserves, trade, and transactions.





# The U.S. dollar's dominance has eroded from over 70% of global reserves in 2000, to the 59% reported in Q1 2024

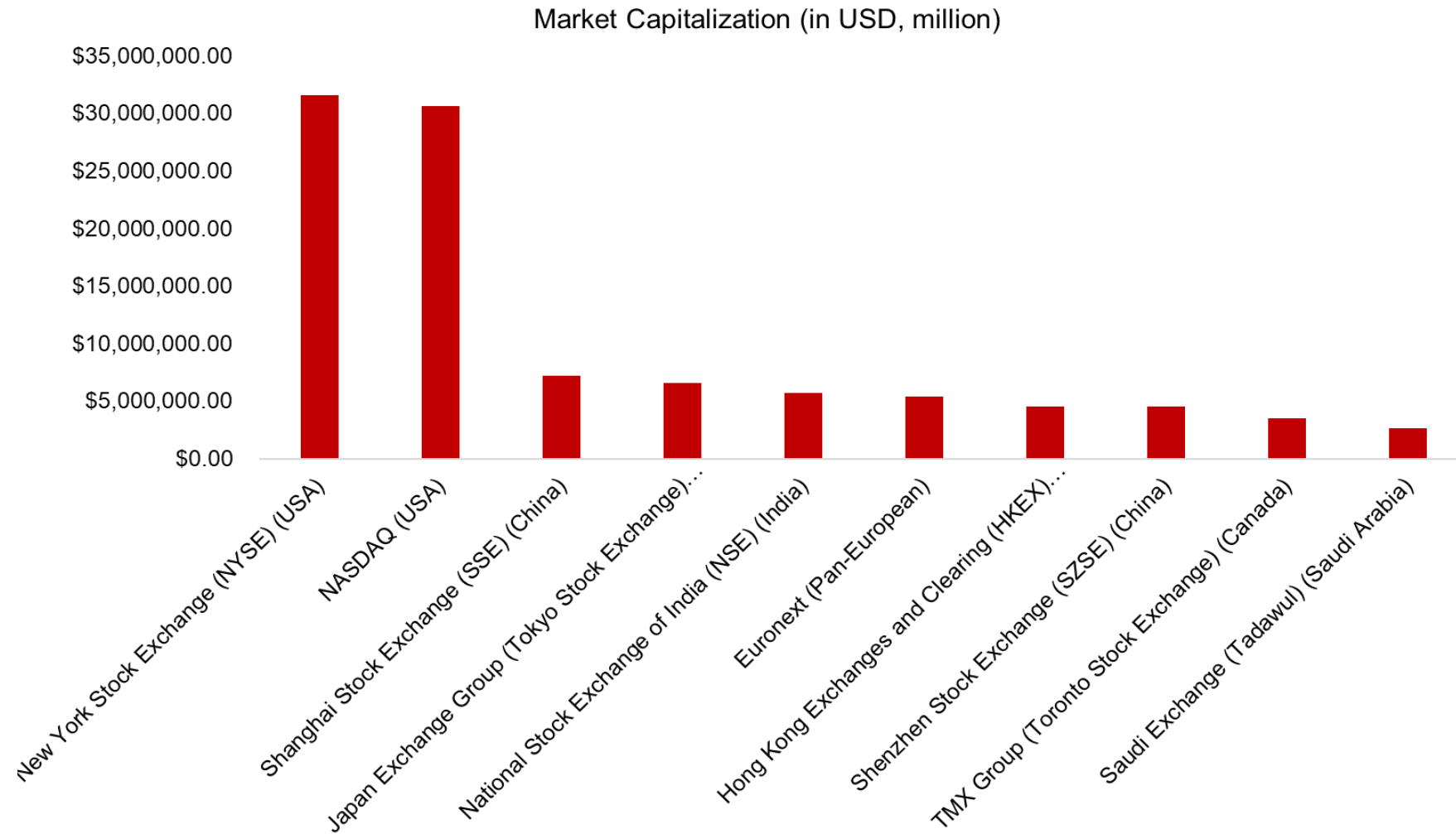
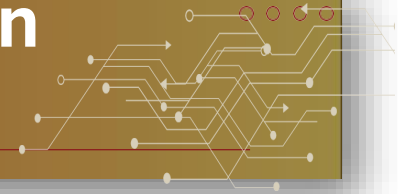


- Dollar assets comprise about 59% of global foreign currency reserves; the next largest share is the euro at 20%.
- 64% of world debt is denominated in dollars
- The dollar makes up a large portion of international payments—58% excluding payments within the eurozone

Source: IMF, 2025

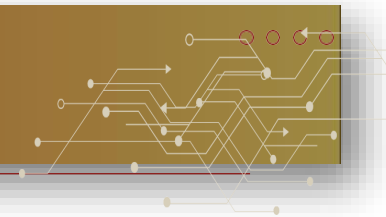


# Top 10 largest stock exchanges in the world by market capitalization (December 2024)

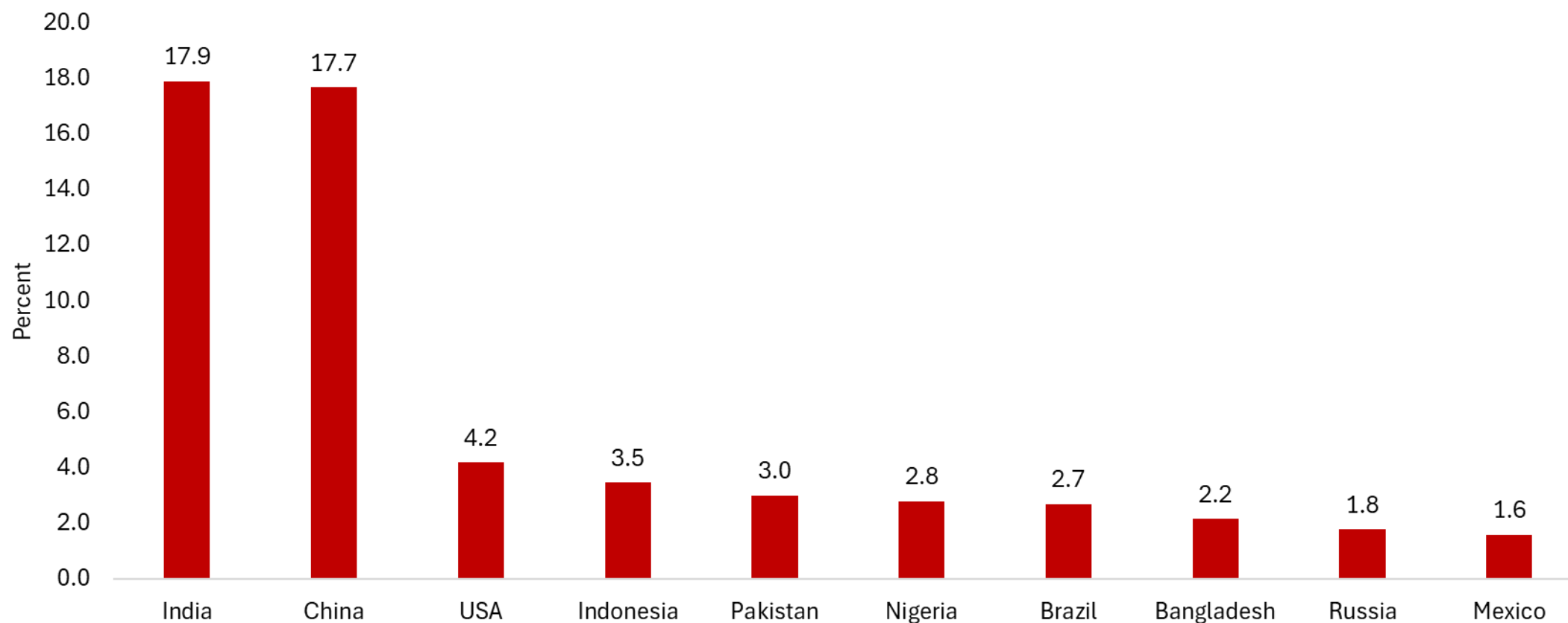




# Top 10 largest countries by population, 2023



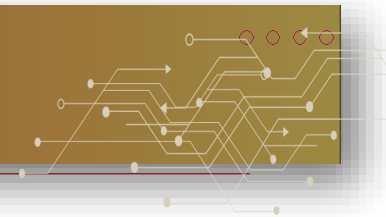
Top 10 large countries: population



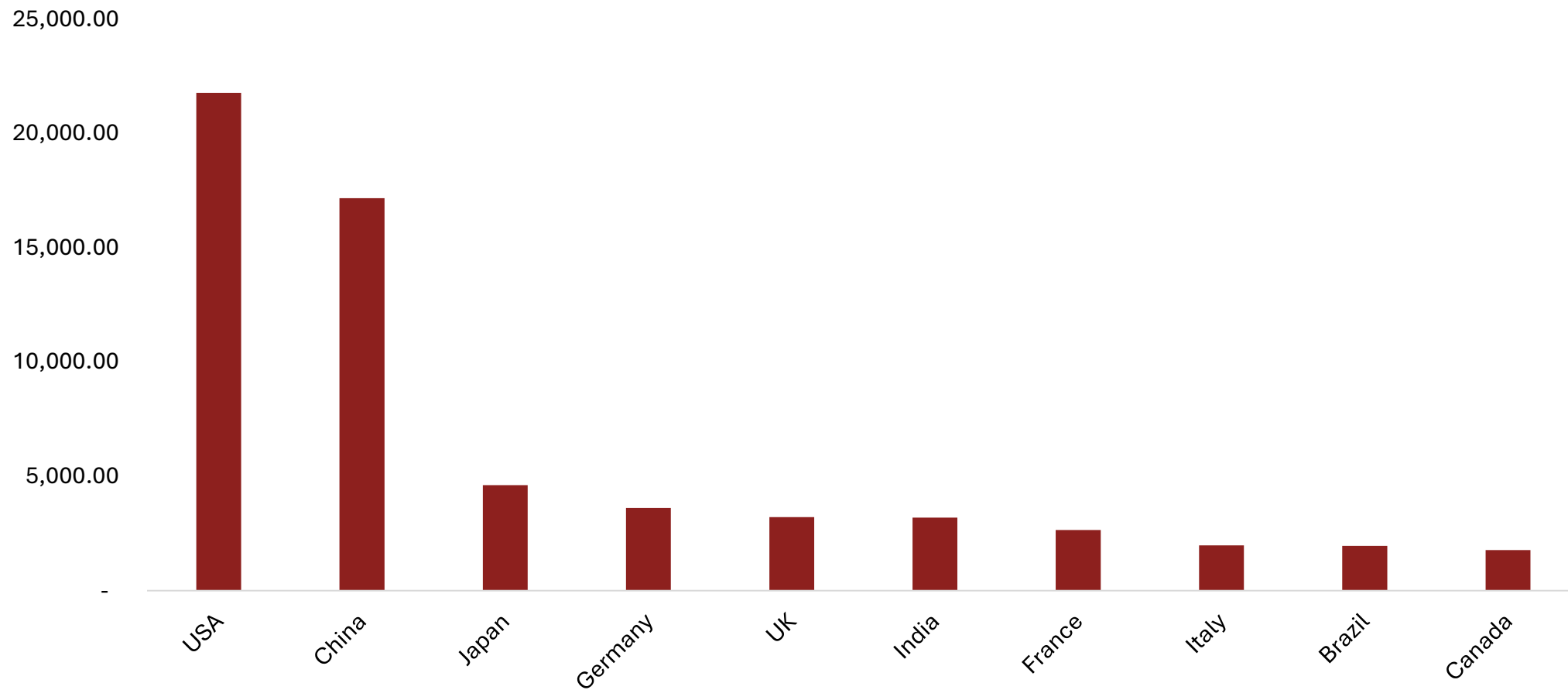




# Top 10 largest countries by GDP, 2023

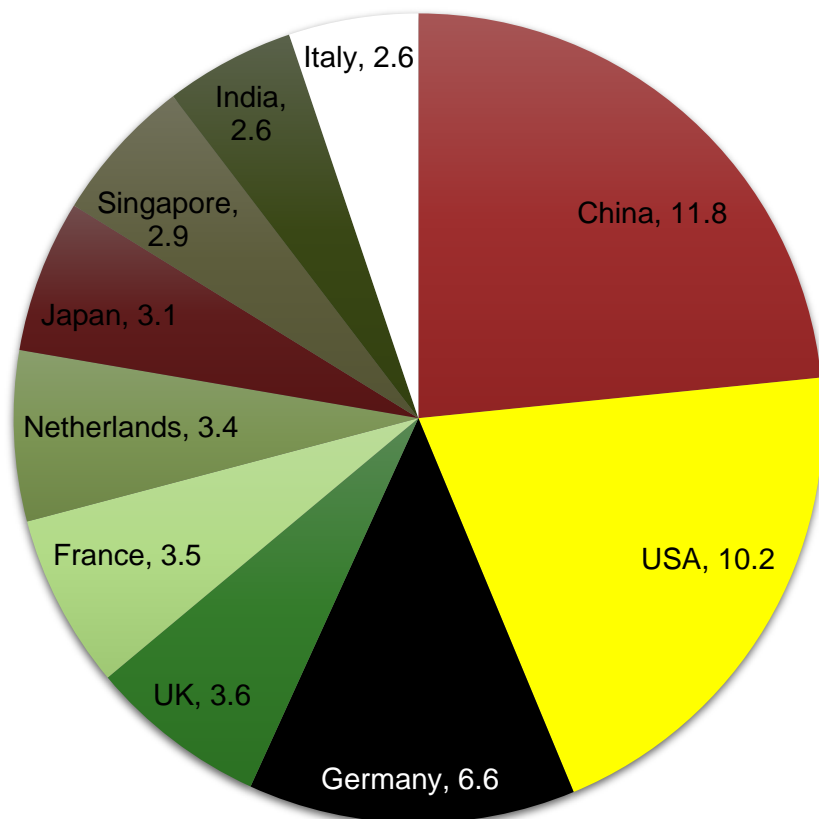


GDP, constant dollars, 2023 (billions of 2010 US dollars, 2023)

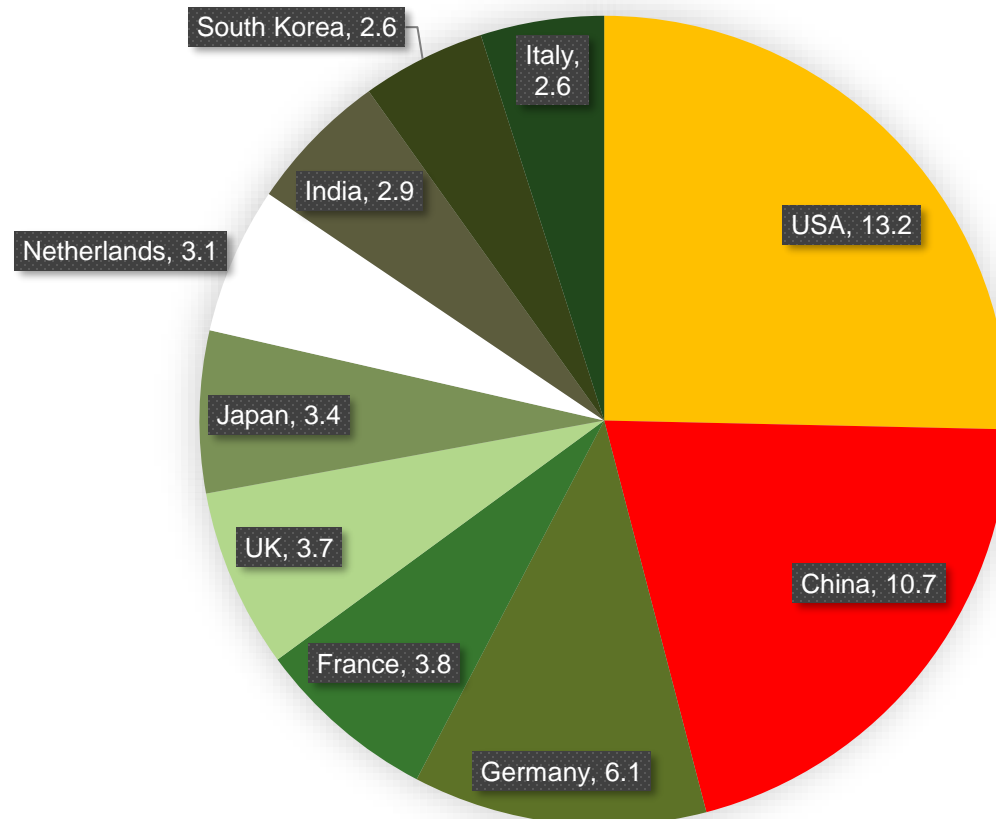


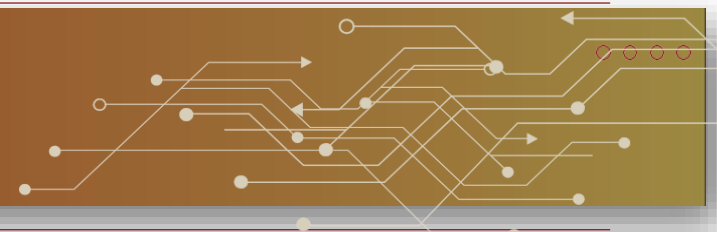
# Top 10 largest countries by trade, 2023

Percent of world exports , 2023



Percent of world imports, 2023



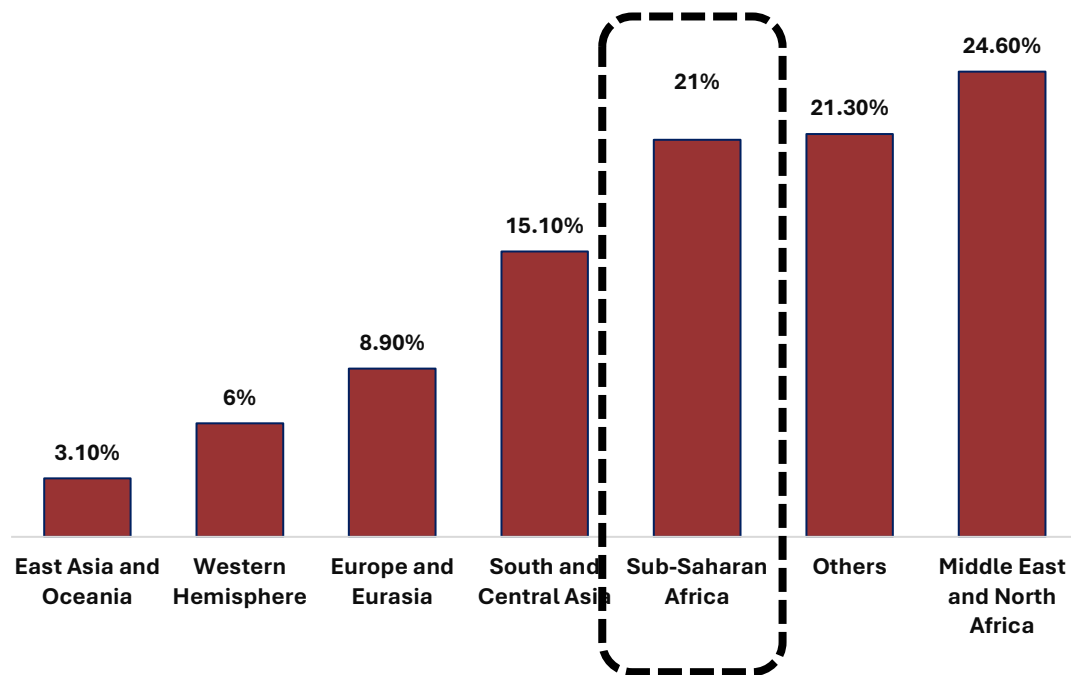




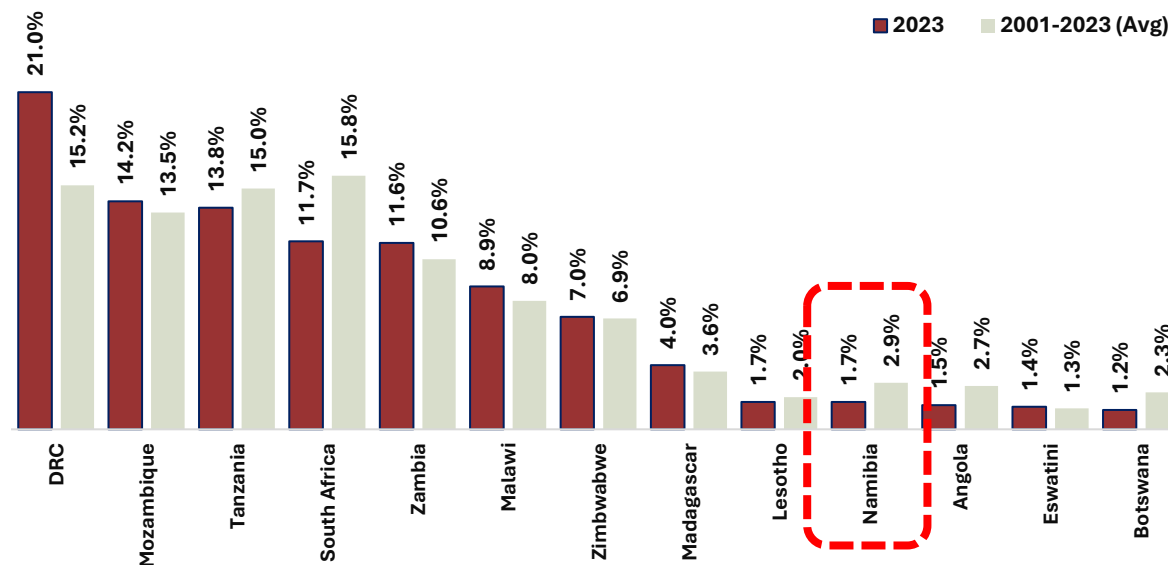


# The US foreign policy has been inward looking-preceded by the suspension of USAID

US Foreign Aid Receptient by Region (% Share)



% Share of US Foreign Aid Disbursed to SADC Countries



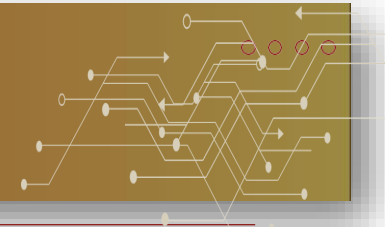
## Comments

The charts illustrate the magnitude of US Foreign AID across the regions, with USAID being the main source of foreign aid. HIV/AIDS programs are the main beneficiaries of USAID in SADC and Namibia received about N\$737 million towards HIV-AIDS relief in 2024.

Namibia's proportion of USAID funding averaged at 2.9%.



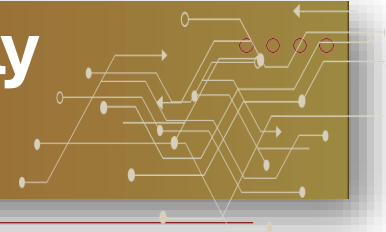
# United States exports to Africa (US\$ 32 billion for 2024) has been minimal



Importers	Share in value in United States of America's exports, % in 2020	Share in value in United States of America's exports, % in 2021	Share in value in United States of America's exports, % in 2022	Share in value in United States of America's exports, % in 2023	Share in value in United States of America's exports, % in 2024
World	100	100	100	100	100
Africa Aggregation	1.5	1.5	1.5	1.4	1.6
Egypt	0.3	0.3	0.3	0.2	0.3
South Africa	0.3	0.3	0.3	0.4	0.3
Morocco	0.2	0.2	0.2	0.2	0.3
Nigeria	0.2	0.2	0.2	0.1	0.2
Ethiopia	0.1	0	0.1	0.1	0
Algeria	0.1	0	0.1	0.1	0
Ghana	0.1	0.1	0	0	0
Kenya	0	0	0	0	0
Angola	0	0	0	0	0
Côte d'Ivoire	0	0	0	0	0
Tanzania, United Republic of	0	0	0	0	0



# United States imports from Africa (US\$ billion for 2024) is equally minimal

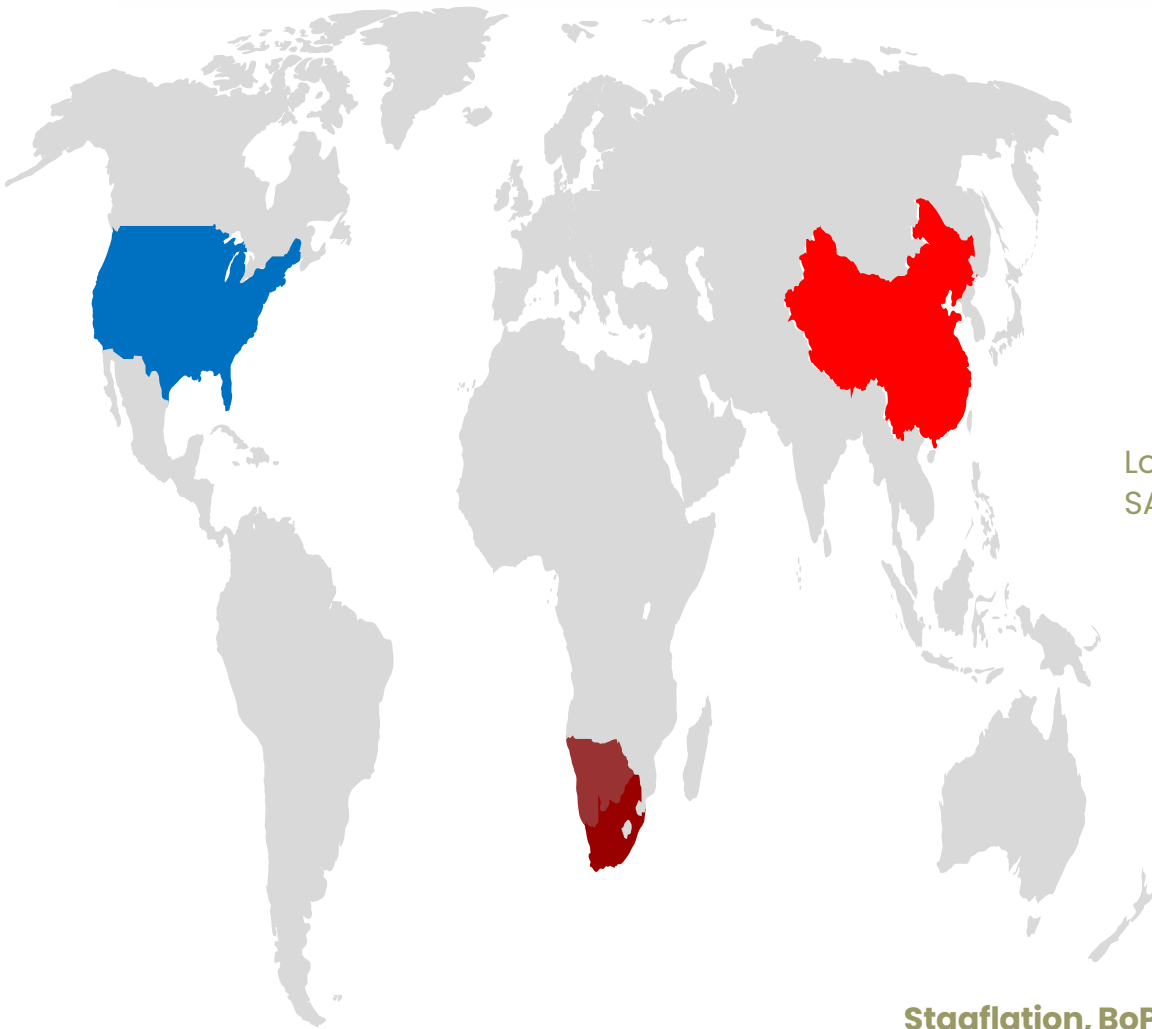


Exporters	Share in value in United States of America's imports, % in 2020	Share in value in United States of America's imports, % in 2021	Share in value in United States of America's imports, % in 2022	Share in value in United States of America's imports, % in 2023	Share in value in United States of America's imports, % in 2024
World	100	100	100	100	100
Africa Aggregation	1.0	1.3	1.3	1.3	1.2
South Africa	0.5	0.5	0.4	0.4	0.4
Nigeria	0.1	0.1	0.1	0.2	0.2
Egypt	0.1	0.1	0.1	0.1	0.1
Algeria	0	0.1	0.1	0.1	0.1
Morocco	0	0	0.1	0.1	0.1
Angola	0	0	0	0	0.1
Libya, State of	0	0.1	0.1	0	0
Ghana	0	0.1	0.1	0.1	0
Tunisia	0	0	0	0	0
Côte d'Ivoire	0	0	0	0	0
Kenya	0	0	0	0	0
Madagascar	0	0	0	0	0
Ethiopia	0	0	0	0	0





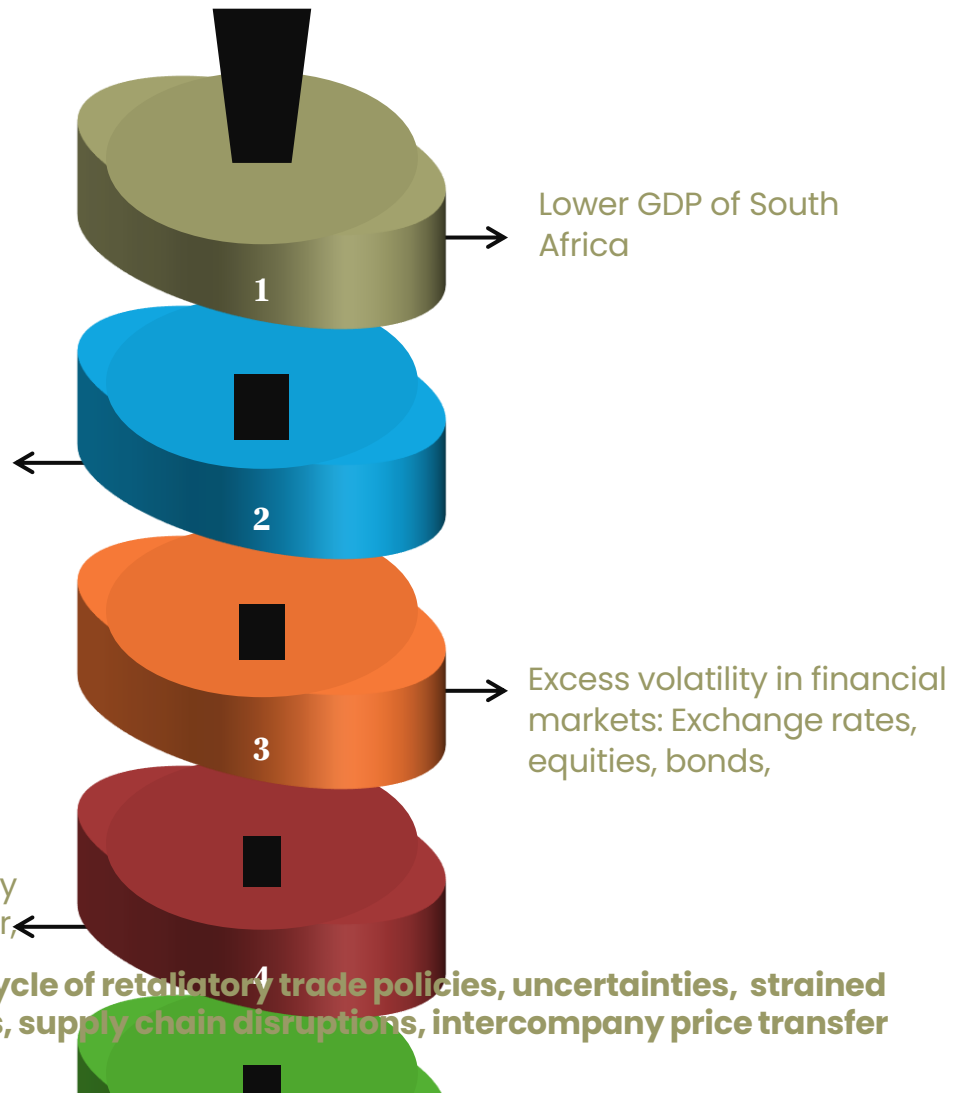
The US tariffs may have a wide range of ramifications, with direct and indirect impact; some immediate and others with a lag



Lower South Africa and SACU imports

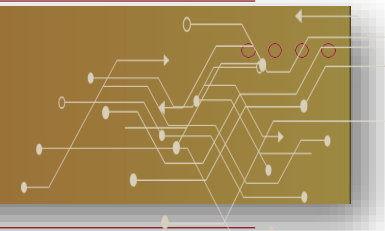
Volatile commodity prices (Oil, gold, copper, food etc)

Stagflation, BoP challenges, a vicious cycle of retaliatory trade policies, uncertainties, strained operational budgets and profit margins, supply chain disruptions, intercompany price transfer

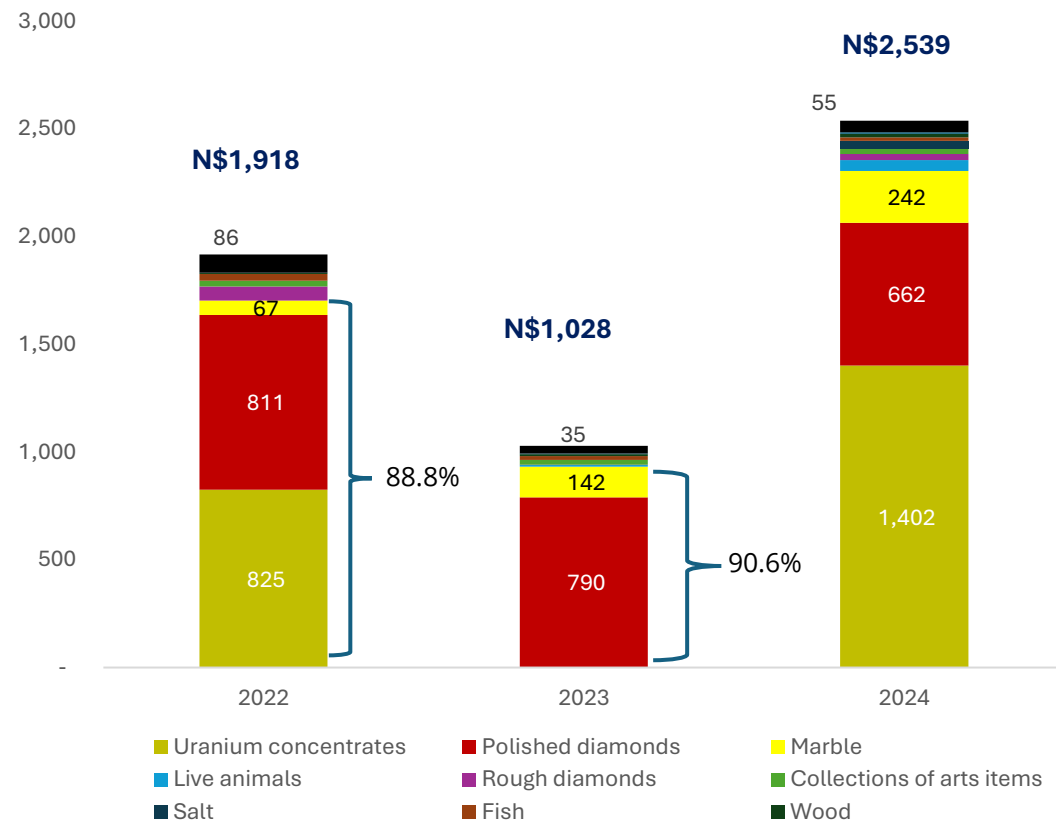




# Direct trade with the US is still minimal



Namibia's major trading partners	2022	2023	2024
South Africa	21.4%	21.3%	25.9%
Botswana	21.4%	22.8%	18.4%
Eurozone	18.1%	16.8%	18.0%
People's Republic of China	14.9%	17.4%	16.2%
Zambia	3.3%	3.6%	3.9%
United Arab Emirates	4.7%	5.0%	3.8%
United States of America	2.7%	1.2%	3.0%
Democratic Republic of Congo	2.1%	1.7%	1.7%
Canada	1.5%	2.7%	1.0%
Mozambique	0.9%	1.0%	0.9%
Rest of the world	8.9%	6.4%	7.1%
<b>Total (million N\$)</b>	<b>72,290</b>	<b>85,987</b>	<b>84,099</b>



# Marble export remains heavily exposed to the US market

Commodity, million N\$	2022	2023	2024
Uranium concentrates	11,263	14,998	14,499
<i>of which is exported to the US (% share)</i>	<b>7.3%</b>	<b>0.0%</b>	<b>9.7%</b>
Polished diamonds	7,576	7,087	5,361
<i>of which is exported to the US (% share)</i>	<b>10.7%</b>	<b>11.1%</b>	<b>12.4%</b>
Marble	107	263	272
<i>of which is exported to the US (% share)</i>	<b>62.1%</b>	<b>53.9%</b>	<b>88.7%</b>
Live animals	1,811	1,952	2,102
<i>of which is exported to the US (% share)</i>	<b>0.0%</b>	<b>0.4%</b>	<b>2.4%</b>
Rough diamonds	13,750	17,662	11,851
<i>of which is exported to the US (% share)</i>	<b>0.5%</b>	<b>0.0%</b>	<b>0.2%</b>
Collections of arts items	64	66	78
<i>of which is exported to the US (% share)</i>	<b>42.5%</b>	<b>33.0%</b>	<b>31.5%</b>
Salt	97	571	676
<i>of which is exported to the US (% share)</i>	<b>0.0%</b>	<b>0.0%</b>	<b>5.3%</b>
Fish	11,754	14,551	14,215
<i>of which is exported to the US (% share)</i>	<b>0.3%</b>	<b>0.1%</b>	<b>0.1%</b>
Wood	1,423	1,425	1,467
<i>of which is exported to the US (% share)</i>	<b>0.4%</b>	<b>0.6%</b>	<b>1.0%</b>
Raw hides and skin	166	163	187
<i>of which is exported to the US (% share)</i>	<b>0.2%</b>	<b>2.2%</b>	<b>4.0%</b>

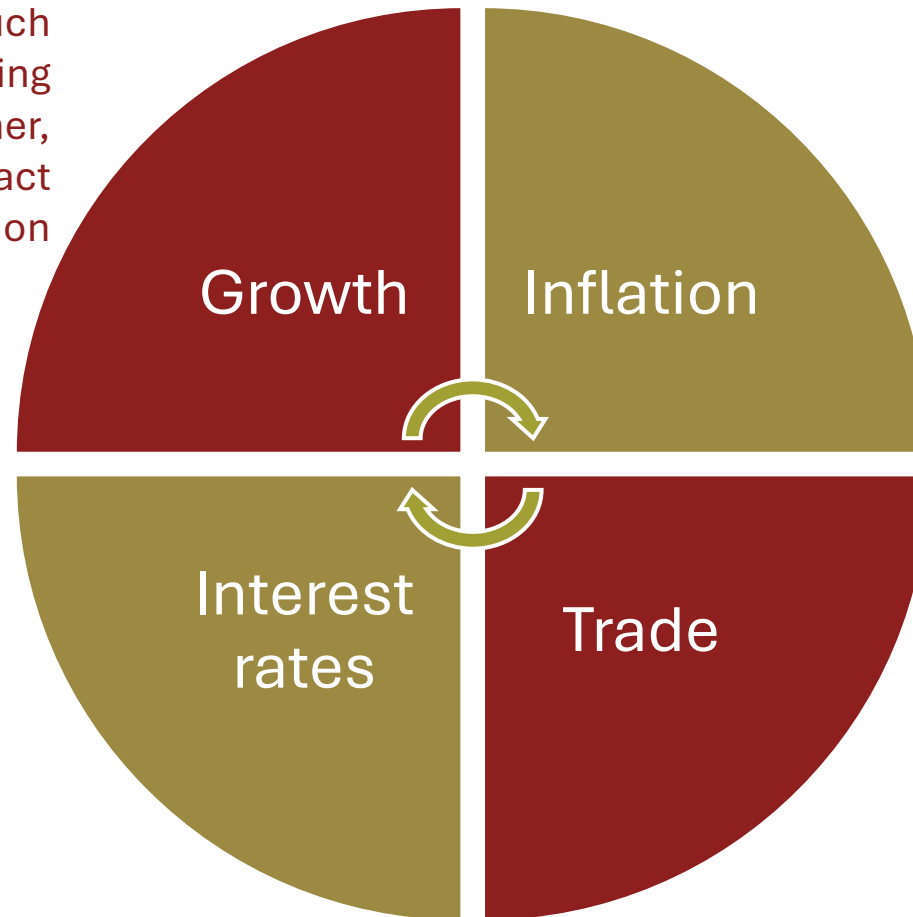
# Namibia's exports to the US benefited from tariff-free, access due to AGOA agreement

Commodities	Current weighted tarrifs	imposition of 10 percent tarrifs	imposition of 21 percent tarrifs
Uranium concentrates	0.0%	0.0%	0.0%
Polished diamonds	0.0%	4.1%	8.7%
Marble	0.4%	0.8%	1.7%
Live animals	0.0%	0.1%	0.2%
Rough diamonds	0.0%	0.2%	0.4%
<i>Unworked or simply sawn, cleaved or bruted</i>	0.0%	0.0%	0.0%
<i>other</i>	0.1%	0.1%	0.1%
Collections of arts items	0.0%	0.1%	0.3%
Salt	0.0%	0.1%	0.1%
Fish	0.0%	0.1%	0.3%
<i>Hake fish fillets</i>	0.0%	0.0%	0.0%
<i>Frozen crabs</i>	0.0%	0.0%	0.0%
Wood	0.0%	0.1%	0.1%
<i>Charcoal wood</i>	0.0%	0.0%	0.0%
<i>other</i>	0.0%	0.0%	0.0%
Raw hides and skin	0.0%	0.3%	0.7%
<b>Total</b>	<b>0.5%</b>	<b>6.0%</b>	<b>12.5%</b>

# Macroeconomic implications for the domestic economy

The overall impact on GDP is difficult to quantify, however sectors such as diamonds, marble and manufacturing will be negatively impacted. Further, prevailing uncertainties will impact investments and consumption decisions.

Data dependent (inflation outlook, interest rate differentials, global growth)



The uncertain global landscape complicates inflation projections (predictability).

Upward risks: Higher inflation through weakening of the exchange rate and imported inflation.

Downward risks: the falling of crude oil prices may drive prices down.

The direct exposure appears minimal; however, the direct and indirect impact may manifest largely through diamond exports.



# Macroeconomic implications for the global & domestic economy



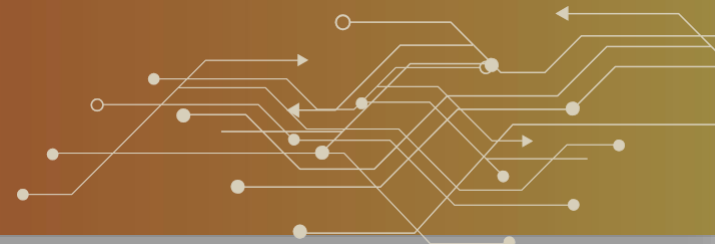
## Uncertain and turbulent times ahead...

- The uncertainty is just as damaging as the actual tariffs.
- The world is far from anything remotely predictable.
- Economic model are presently defunct.





# SUMMARY



1

**US reciprocal tariffs** and the associated uncertainties may negatively impact global trade, growth, disrupt supply chains, financial as well as commodity markets.

2

**Policies by major global players** such as the US and China may dictate the global economic trajectory.

3

**Namibia's direct exposure to the US** in terms of trade and aid remains minimal while the indirect impact wide ranging through channels including the commodity and financial markets.

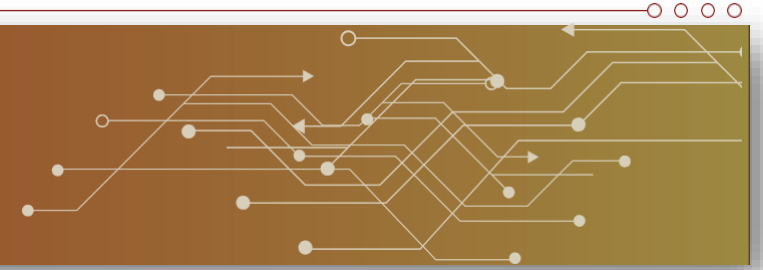
4

**The ultimate impact of the tariffs may include stagflation**, balance of payments challenges, a vicious cycle of retaliatory trade policies, uncertainties, strained operational budgets and profit margins, supply chain disruptions, fiscal pressures and lower business confidence.



# **NAMIBIA'S BANKING SECTOR**

# ➤ Namibian Banking Sector



## ROLE OF BANKS



### Financial Intermediation

Collect deposits and provide loans to individuals, businesses, and government.



### Payment Systems

- Enable safe and efficient transactions (EFTs, cards, mobile & online banking).



### Economic Development

- Fund key sectors like infrastructure, SMEs, agriculture, and housing.

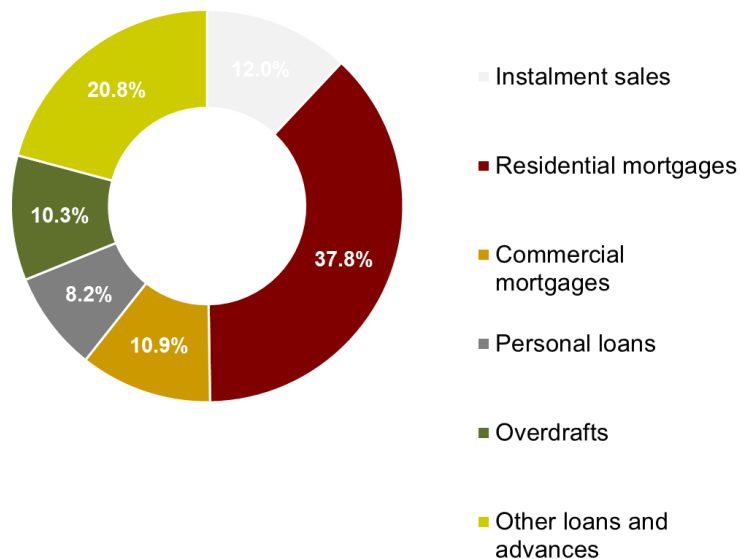
7 Banks

4 DSIBs

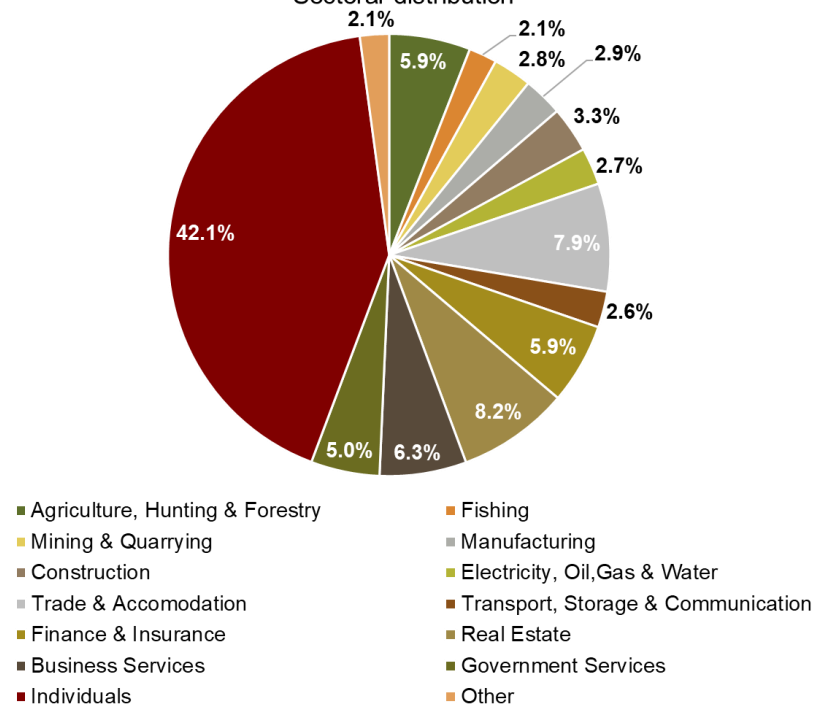
Branch of a  
foreign bank

# Loan Book Composition

Product distribution– December 2024



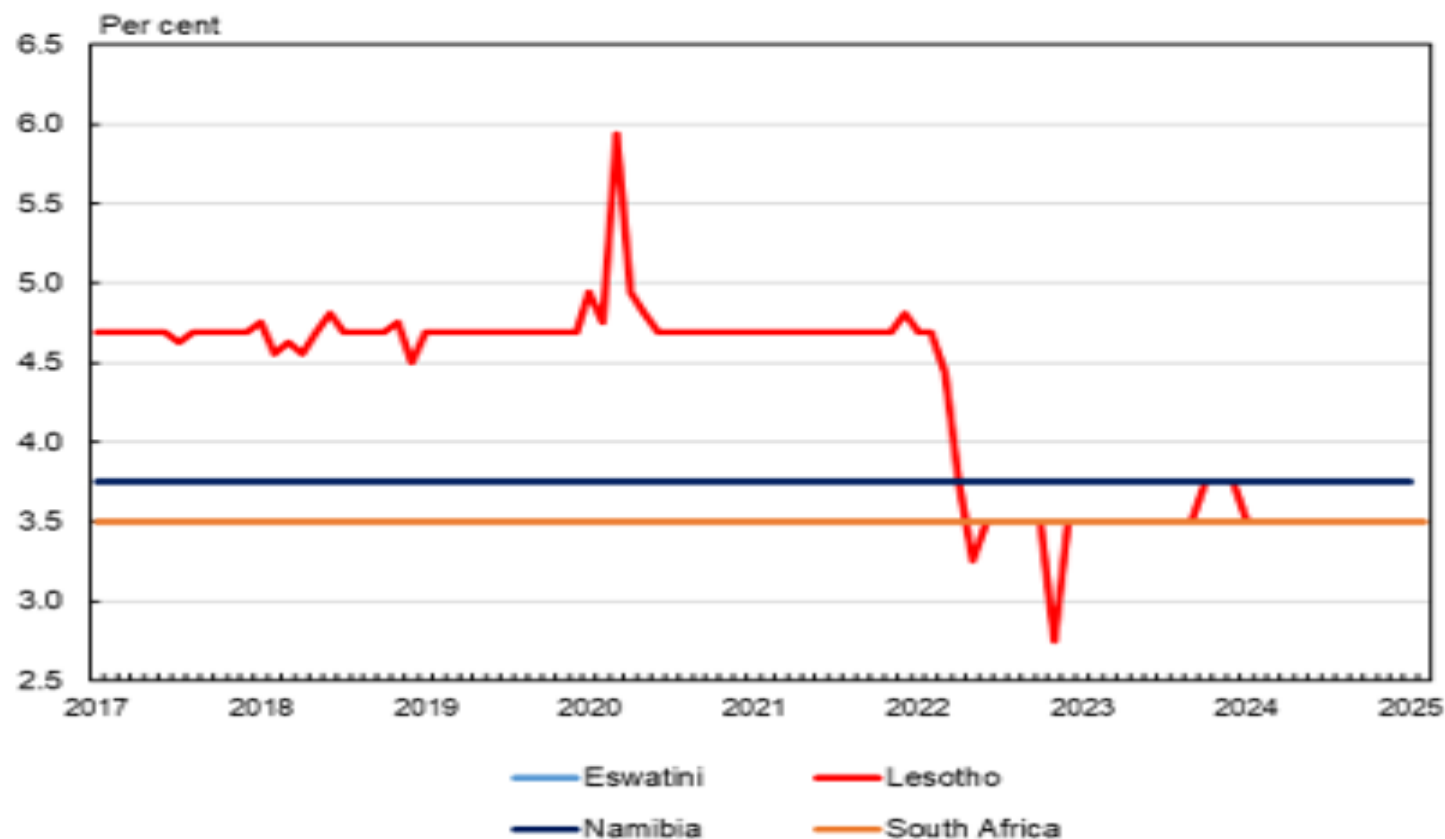
Sectoral distribution



- **Total loans and advances** amounted to N\$118.9 billion with credit extended to all sectors of the economy through various credit products.
- **Credit extension** was dominated by residential mortgages (37.8%), other loans and advances (20.8%) and instalment sales (12.0%).
- **Sectoral distribution** is dominated by loans to individuals (42.1%), followed by real estate (8.2%) and in third place, the trade and accommodation sector (7.9%).

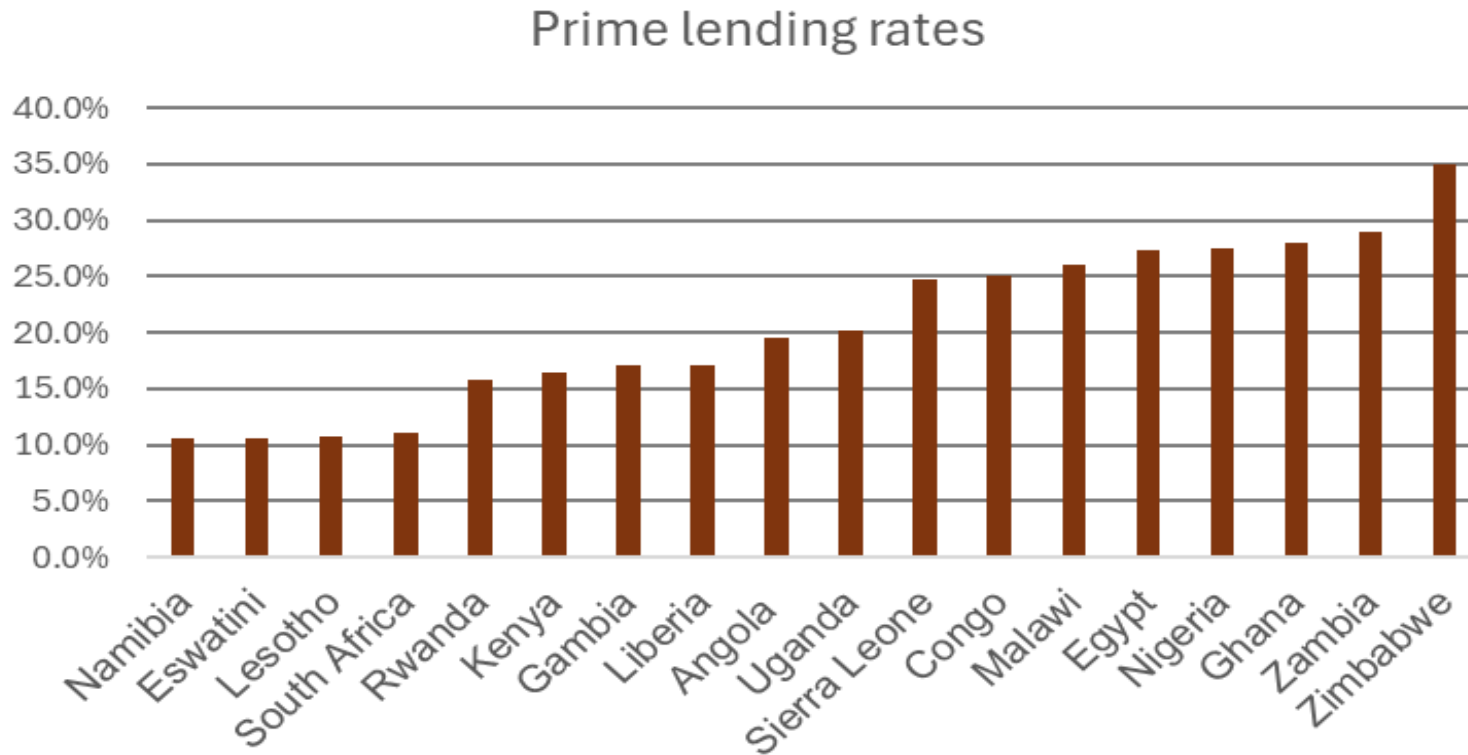


# ➤ CMA: Spread between repo & prime lending rate



**Namibia, Eswatini, and South Africa** maintain relatively stable spreads, generally ranging between 3.5% and 4%, suggesting a more predictable and consistent relationship between policy rates and commercial lending practices.

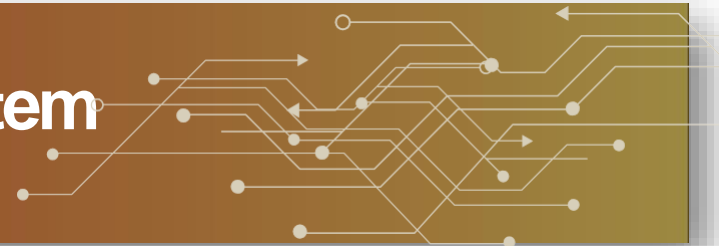
# Prime Lending Interest Rate Comparison



Namibia has the lowest prime lending rate together with Eswatini at 10.5%, with many African countries recording rates above 20%.



# Central Bank Initiatives for a more inclusive system



1

**The Instant Payment Solution** will provide affordable, fast, and inclusive digital payment options, lowering current transaction costs.

2

**Ongoing governance reforms** to empower boards of local banks' decision-making to better serve Namibian consumers' interests (Strategic and Credit decisions taken in Namibia) - Sec 54(1) of the BIA 2023.

3

**Draft Regulation on Fees and Charges** & impact assessment submitted to Ministry of Finance for review

Consultations are ongoing; the Ministry will issue further guidance.

4

**Smart Regulation:**

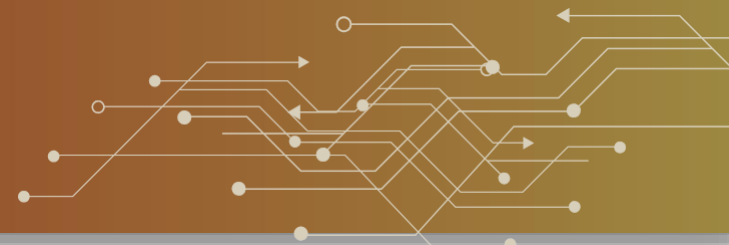
Review of regulatory framework to balance financial stability and economic development. Reduce compliance burden on banks to ensure the cost of banking is reduced.

5

**Revised Agent Banking Guidelines** to promote basic banking services in through agency network, at lower fees and charges.



# Conclusion



1

Banking sector remains sound, stable with sufficient capital and liquidity buffers to absorb any potential shock from the uncertain macro-economic environment.

2

Total loans and advances extended to Namibians stood at N\$118.9 billion, mainly extended to individuals (42.1%), real state (8.2%), and trade and accommodation sector (7.9%).

3

Namibia has the lowest prime lending rate together with Eswatini at 10.5%, consumers therefore pay less interest on credit products compared to other African countries.

4

Various Regulatory led initiatives underway to ensure that we balance financial stability, economic development and consumer needs.

# HGG COMMEMORATIVE BANKNOTE





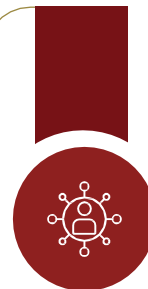
# PROGRESS ON HGG COMMEMORATIVE BANKNOTE UPTAKE



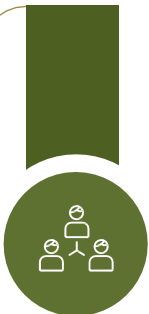
This commemorative, circulating banknote was launched on 5 March 2025 and issued into circulation on 17 March 2025.



Printed 2 million pieces of the N\$60 and to date, 672,000 pieces (33.6%) have been issued through commercial banks.



The uptake is comparable to the N\$30 commemorative banknote, which saw a 38% issuance in the first month – 5 million pieces.



Significant interest from international collectors' market with about 6 853 pieces procured globally.



Enhance promotional activities to increase the uptake and visibility of the N\$60.

THANK  
YOU