

# BANK OF NAMIBIA

## Minutes of the Monetary Policy Committee (MPC) Meeting

Windhoek, 16 - 17 February 2026



**Bank of Namibia**

**“Our Vision is to be a leading central bank committed to a prosperous  
Namibia”**

### **MPC MEMBERS PRESENT**

Ebson Uanguta	Governor (Chairperson)
Leonie Dunn	Deputy Governor
Emma Haiyambo	Director: RFSDD <sup>1</sup>
Nicholas Mukasa	Director: Financial Markets Department (FMD)
Helvi Fillipus	Senior Economic Advisor: RFSDD
John Steytler	External Member

### **SECRETARY**

Douglas Ndana	Senior Economist: RFSDD
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### **APOLOGIES**

None.

<sup>1</sup> Research and Financial Sector Development Department (RFSDD).

## **OTHERS PRESENT**

Israel Zemburuka (Director: Strategic Communications and International Relations (SCIRD)); Postrick Mushendami (Deputy Director: RFSDD); Sanette Schulze Struchtrup (Deputy Director: RFSDD); Abigail Nainda (Deputy Director: RFSDD); Naufiku Hamunime (Deputy Director: SCIRD); Mukela Mabakeng (Technical Expert: RFSDD); Gerson Kadhikwa (Technical Expert: RFSDD); Daisy Mbazima-Lando (Principal Economist: RFSDD); Rehabeam Shilimela (Technical Expert: RFSDD); Grace Hamauka (Principal Economist: RFSDD); Elifas Iiyambula (Principal Economist: RFSDD); Gracianu Kavaleka (Senior Economist: RFSDD); Daniel Kavishe (Principal Economist: FMD).

## **PARTIAL ATTENDANCE**

Metilda Ntomwa (Senior Economist: RFSDD); Kennedy Stephanus (Senior Economist: RFSDD); Helena Nghipunya (Economist: RFSDD).

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## **ECONOMIC DEVELOPMENT REPORT**

**Following the established tradition, discussions on economic developments were split into global and domestic components. First, a report on global economic developments was presented.**

### **THE GLOBAL ECONOMY**

- 1. The global economy held up well amidst heightened global trade tensions and policy uncertainty during 2025.** It was noted that, notwithstanding indications of slower growth across most monitored economies since the previous MPC sitting, the global economy exhibited resilience to policy uncertainty and trade tensions in 2025. Looking ahead, in its January 2026 World Economic Outlook (WEO) Update, the International Monetary Fund (IMF) projected global growth to remain steady at 3.3 percent in 2026, consistent with the 2025 estimated growth rate, before marginally slowing to 3.2 percent in 2027. The 2026 growth forecast represented a 0.2 percentage point upward revision from the October 2025 WEO.
- 2. The Committee was further apprised regarding global fiscal developments, particularly global Debt-to-GDP dynamics.** The MPC was informed that global public debt levels remained concerningly elevated. At the end of 2025, the global debt-to-GDP ratio stood at 94.7 percent, 2.3 percentage points higher than in the prior year. In this

regard, views were expressed regarding the imperative for countries to rebuild fiscal sustainability and/or buffers, amid pressing spending needs and diminished fiscal space.

- 3. The MPC noted an increase in the price of Brent crude oil since the previous MPC sitting.** The Committee was informed that the price of Brent crude had risen to approximately US\$68 per barrel on 16 February 2026, relative to US\$62 per barrel at the previous MPC meeting. This increase was mainly ascribed to renewed geopolitical tensions.
- 4. Diamond prices remained subdued compared to the previous MPC meeting.** The Zimnisky Global Rough Diamond Price Index declined further since the previous MPC meeting, underpinned by weaker global demand, competition from lab-grown diamonds and relatively higher inventory levels. Considering the persistently subdued price environment, the MPC expressed concern regarding the outlook for domestic diamond production, noting that prices could already be hovering around breakeven levels.
- 5. Gold and uranium prices remained elevated compared to the previous MPC meeting.** In particular, gold continued to trade near historic highs, with its price rising to approximately US\$5,007 per ounce on 16 February 2026, from US\$4,275 per ounce on 1 December 2025. The increase was bolstered by sustained safe-haven demand, primarily by retail investors, augmented by a relatively weaker US Dollar. Similarly, the uranium spot price climbed further to US\$89 per pound on 16 February 2026 relative to US\$76 per pound on 1 December 2025, owing particularly to sustained demand.
- 6. Copper and zinc prices had fluctuated upward since the December 2025 MPC meeting.** The price of copper sustained its ascent, reaching US\$12,856 per metric tonne on 16 February 2026, higher than US\$11,263 per metric tonne on 1 December 2025. Similarly, the price of zinc trended upward, rising to US\$3,289 per tonne during the same period. The increase in the prices of both base metals was primarily attributed to supply concerns.
- 7. Global inflation continued to moderate since the previous MPC meeting.** In particular, consumer price inflation decelerated in most monitored Advanced Economies and Emerging Markets and Developing Economies, primarily on account of lower energy and food prices. Looking ahead, the IMF expected global inflation to slow further from an estimated 4.1 percent in 2025 to 3.8 percent and 3.4 percent in 2026

and 2027, respectively. This forecast was broadly unchanged compared to the October 2025 WEO.

8. **The MPC noted divergent monetary policy stances among monitored central banks since the Bank of Namibia's December 2025 MPC meeting.** Particularly, the US Federal Reserve, the Bank of England, the Bank of Russia and the Bank of India lowered their policy rates. However, several other central banks, including the South African Reserve Bank, held rates steady. Meanwhile, the Bank of Japan increased its policy rate during the period under review.
9. **The MPC noted the recent global economic developments.**

### **THE DOMESTIC ECONOMY**

**A presentation on domestic economic developments was delivered to the MPC.**

10. **The MPC noted that domestic economic growth was subdued in 2025.** The Committee was informed that domestic economic activity was sluggish in the first three quarters of 2025, largely reflecting contractions in the *agriculture, fishing, mining and manufacturing* sectors. This was further corroborated by a slowdown in most high-frequency indicators, which suggested subdued economic activity in 2025 relative to 2024. Consequently, the estimated growth for 2025 was anticipated to be lower than previously projected in the Bank of Namibia's December 2025 Economic Outlook.
11. **Domestic consumer price inflation remained contained.** Particularly, average inflation fell to a post-pandemic low of 3.5 percent in 2025 from 4.2 percent in 2024, broadly in line with a recent Bank of Namibia (the Bank) forecast of 3.6 percent. The disinflation was primarily ascribed to easing price pressures in *transport, housing and alcoholic beverages*. Additionally, the most recent inflation print indicated a further deceleration to 2.9 percent in January 2026 from 3.6 percent in October 2025, as recorded at the previous MPC meeting. This deceleration was primarily underpinned by a notable slowdown in *food* inflation.
12. **Looking ahead, inflation was anticipated to stabilise in 2026 before edging down in 2027.** Inflation was projected to remain steady at 3.5 percent in 2026 before moderating to 3.4 percent in 2027. The 2026 forecast was 0.3 percentage point lower than the previous forecast, on assumptions of lower oil and food prices alongside a stronger currency. Nevertheless, risks remained tilted to the upside, stemming

particularly from potential increases in administered prices, exchange rate volatility and geopolitical tensions.

- 13. Growth in Private Sector Credit Extension (PSCE) remained weak.** The MPC noted that annual growth in PSCE continued to be subdued, reflecting reduced credit uptake by both *businesses* and *households*. Specifically, growth moderated to 4.4 percent in December 2025, further down from a post-pandemic peak of 5.9 percent recorded in September 2025. Moreover, despite nearly doubling to 4.9 percent in 2025 relative to 2.5 percent in 2024, the average annual PSCE growth rate remained concerningly lacklustre. However, the Committee welcomed the significant growth observed in *instalment and leasing sale* credit, which appeared broadly responsive to the relatively less restrictive monetary policy stance.
- 14. On the fiscal front, the Central Government's debt stock was higher at the end of December 2025, relative to its level at the previous MPC meeting.** The Central Government debt stock stood higher at N\$173 billion at the end of December 2025, up from N\$171 billion at the end of October 2025. The increase reflected the issuance of treasury bills and internal registered stock to meet the deficit financing requirements as well as a domestic loan facility acquired to support the redemption of the Eurobond in October 2025. As a percentage of GDP, the debt stock was 66.2 percent. Finally, public debt was anticipated to close the FY2025/26 at N\$177 billion.
- 15. Regarding the external front, Namibia's merchandise trade deficit improved in 2025 compared to 2024.** The merchandise trade deficit narrowed by 35.4 percent from 2024 to N\$25.0 billion in 2025. This improved position was primarily attributed to robust export earnings, especially from *uranium* and *gold*, which outweighed the impact of a modest increase in import payments.
- 16. The stock of international reserves remained sufficient to support the currency peg and fulfil Namibia's international financial obligations.** The stock of international reserves rebounded from the lower level observed at the end of October 2025, following the successful redemption of the USD750 million Eurobond. In this regard, reserve assets increased to N\$51.9 billion at the end of January 2026 from N\$48.6 billion at the end of October 2025, particularly underpinned by SACU receipts. At this level, foreign reserves translated to an estimated import cover of 3.3 months, which remained sufficient to support the currency peg and meet the country's international financial obligations.

## 17. The MPC noted the recent domestic economic developments.

### ADOPTION OF THE MONETARY POLICY STANCE

**18. The MPC deliberated on both global and domestic economic developments.** MPC members reflected on the recent developments in the global and domestic economies and noted in summary that:

- The global economy remained resilient to policy uncertainty and trade tensions in 2025, with the IMF projecting steady growth between 2025 and 2026.
- Global fiscal conditions remained a concern, underscoring the need to rebuild fiscal buffers.
- Global inflation moderated across monitored economies, while monetary policy rates were divergent, with the South African Reserve Bank holding its policy rate steady at its most recent MPC meeting.
- Prices for key commodities had increased since the previous MPC meeting, with *gold* and *uranium* prices remaining elevated. *Diamond* prices, however, remained subdued.
- Turning to the domestic economy, economic activity remained weak, reflecting contraction in several key sectors. Consequently, real GDP growth was expected to be below the Bank's previous forecast.
- Domestic inflation remained contained, with the 2026 projection revised downward, while that for 2027 was unchanged. Upside risks to the outlook, however, remained.
- PSCE growth continued its descent, with mortgage credit particularly remaining subdued.
- Foreign exchange reserves continued to remain sufficient to sustain the currency peg and fulfil the country's international financial obligations, while the merchandise trade deficit improved in 2025 relative to 2024.

**19. Following extensive deliberations, the MPC unanimously decided to maintain the Repo rate at 6.50 percent.** Commercial banks were accordingly expected to keep their Prime lending rates at 10.00 percent. This policy stance was deemed appropriate for safeguarding the one-to-one link between the Namibia Dollar and the South African Rand, while remaining supportive of domestic economic activity.

**20. In determining the appropriate monetary policy stance, the MPC considered several key factors.** In particular, the sustained appreciation of the exchange rate had assisted to rein in inflation, alongside weaker domestic economic activity and private

sector credit extension, as well as a benign inflation outlook. However, weighing these against the imperative to ensure orderly capital flows in the interest of safeguarding the currency peg arrangement, the MPC decided to keep the Repo rate unchanged at its current level. Furthermore, the supportive effects of prior monetary policy easing, together with the prime-repo rate differential normalisation achieved since December 2025, were considered sufficient to continue providing support to the domestic economy.