Bank of Namibia

MONETARY POLICY DIALOGUE

12 August 2026

Ebson Uanguta
Governor

01

Monetary Policy Decision

Monetary Policy Decision

The **Repo rate** remained unchanged at → **6.75%**

The MPC met on the 10th and 11th of August 2026 to decide on the appropriate monetary policy stance for the next two months.

The MPC decided to keep the Repo rate at 6.75 percent to continue safeguarding the peg between the Namibia Dollar and the South African Rand.

The decision was guided by a comprehensive assessment of the latest economic developments and outlook.

02

Global Economic Developments

Global Economy

A Global growth was revised downwards by the IMF in the July 2026 WEO Update.

B Commodity prices were mixed, with metal prices generally remaining elevated.

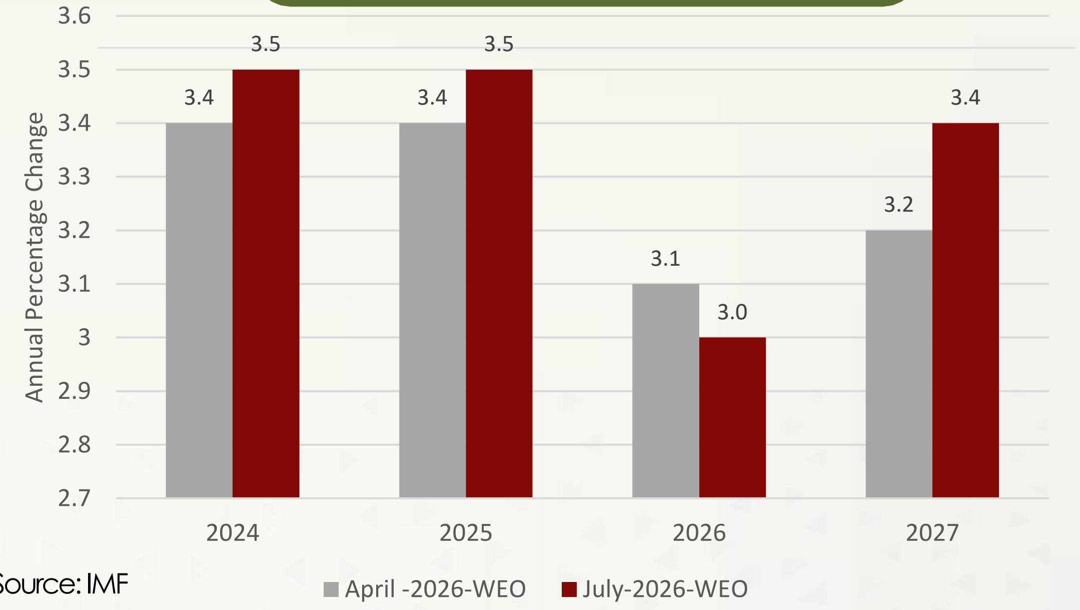
C Since the June MPC meeting, the MSCI All Country World Index has risen despite some volatility, supported by resilient corporate earnings & gains across AEs and EMDEs.

D Inflation data displayed mixed trends in both AEs & EMDEs.

Global Growth

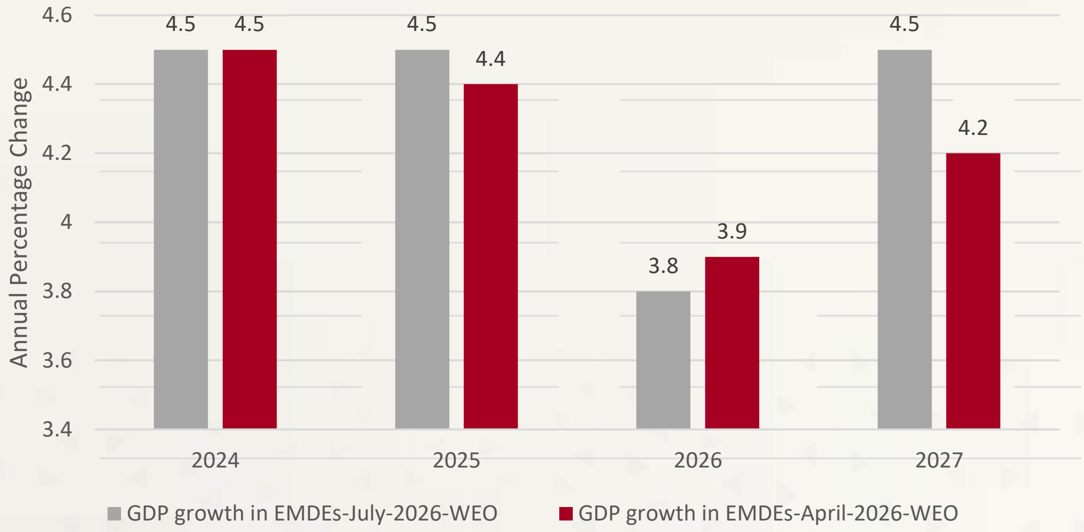
Global growth is projected at 3.0 percent in 2026 & 3.4 percent in 2027, down from 3.5 percent in 2025 & broadly unchanged from the April 2026 WEO forecasts.

Global Economy



Source: IMF

Emerging Market and Developing Economies



Source: IMF

- The slowdown reflects the effects of the war in the Middle East partly offset by AI led investments.
- The revised growth rate represents a slowdown from 3.5 percent growth in 2025.
- Global growth is anticipated to improve slightly to 3.4 percent in 2027.

Crude Oil Prices

Brent crude rose above US$89 per barrel today amid uncertainty over US–Iran negotiations and the outlook for the Strait of Hormuz.

Brent Crude Oil

De-escalation Prospects

Prospects of de-escalation improved, with indications of progress in US–Iran and Iran–Oman talks, although renewed tensions & compensation demands continue to pose upside risks to oil prices.

US Inventories

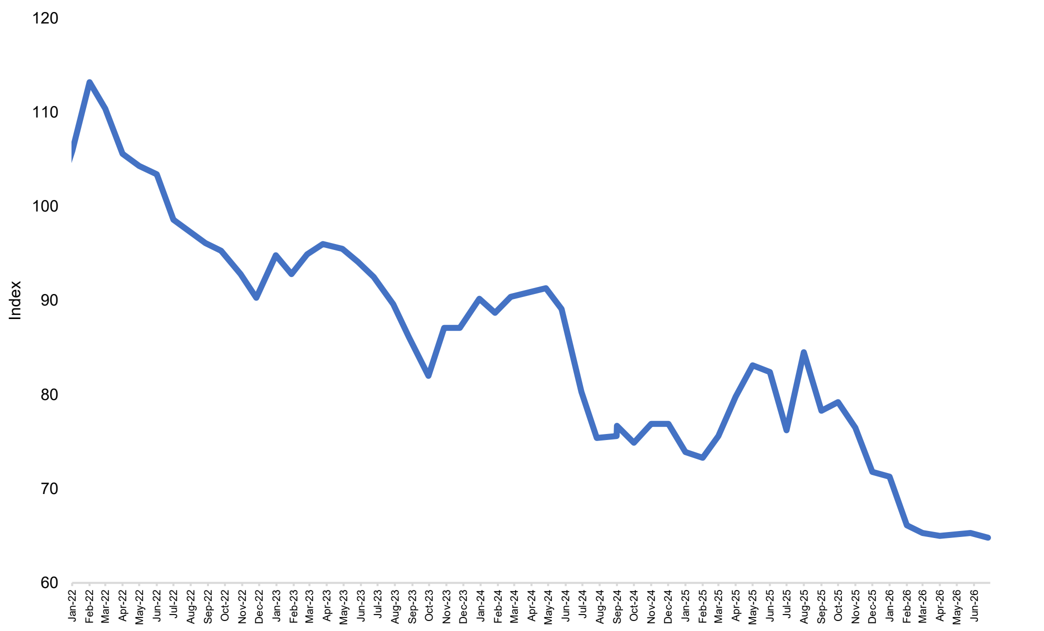
US crude inventories increased by 9.1 million barrels last week the largest build since February providing some downside pressure on oil prices.

Namibia's Exposure

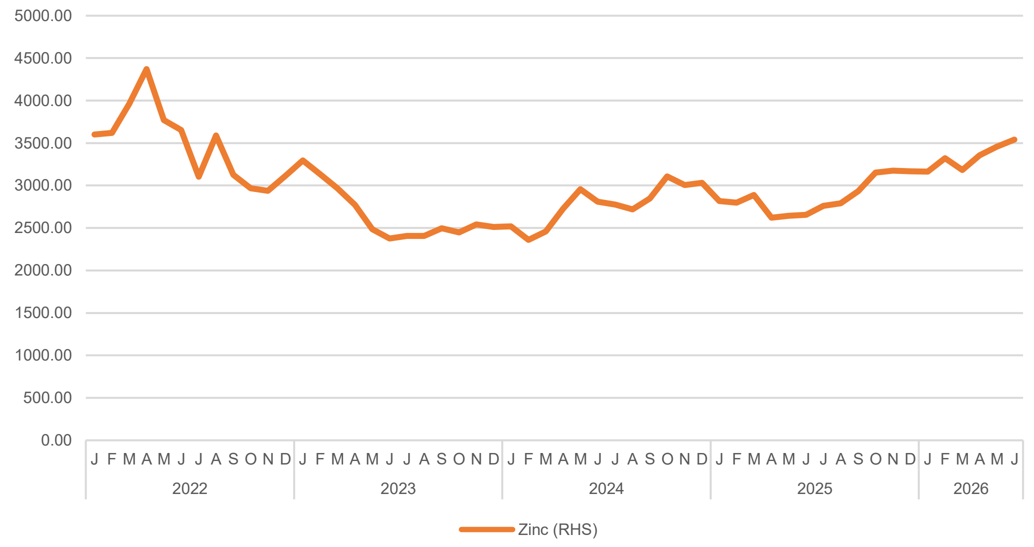
Since the war in Iran, Namibia has diversified sources of refined fuel import, with Nigeria making up 32 percent in April 2026.

Diamond and Zinc Prices

Rough diamond prices have remained subdued since the June 2026 MPC, reflecting weak global demand, elevated inventories and continued competition from lab-grown diamonds.



The price of zinc increased as supply disruptions & constrained refined-metal availability caused a deficit in the market.

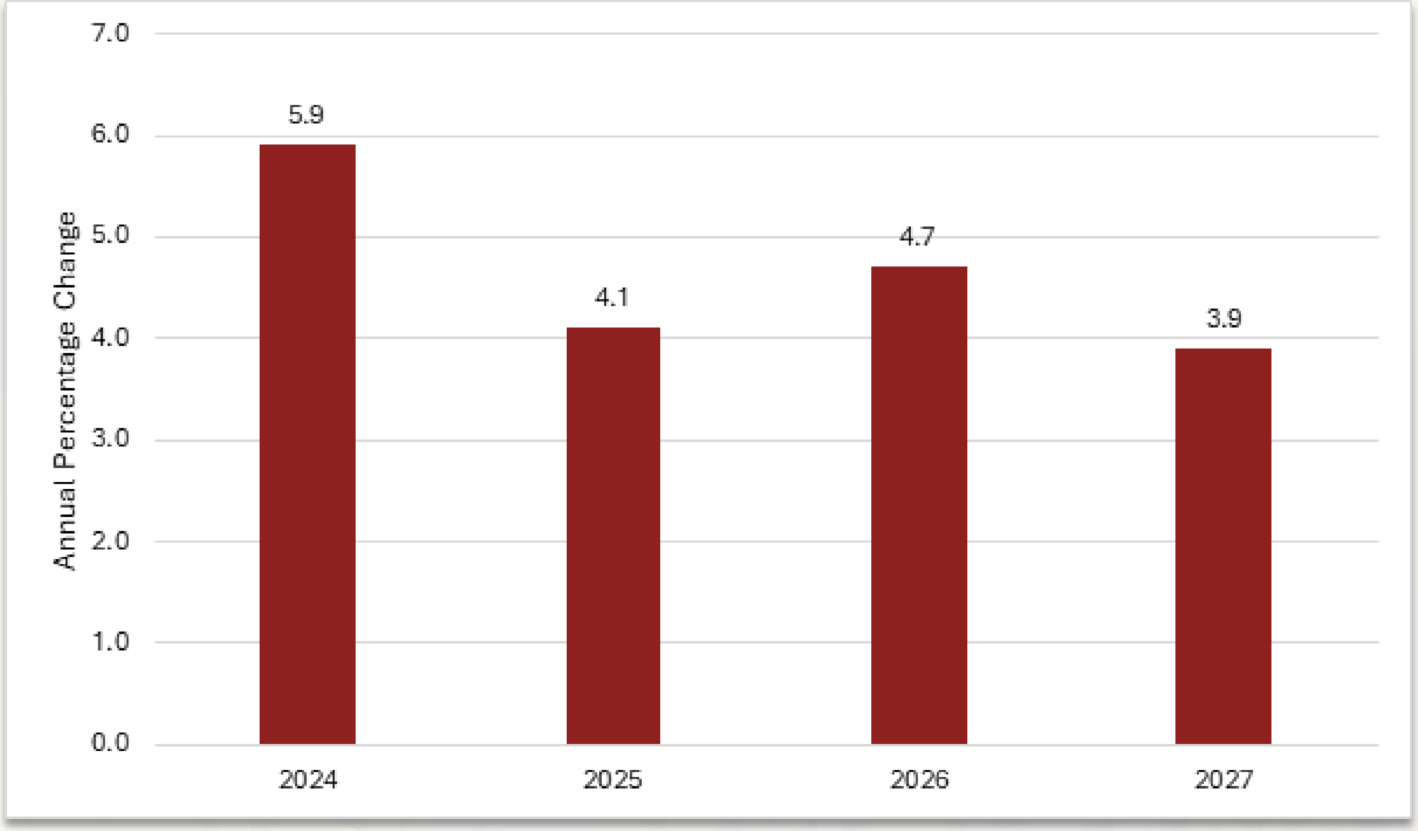


Gold and Uranium Prices

Strong investments and central bank demand continue to support gold, with China adding about 20 tonnes to its reserves in July, following 15 tonnes in June.

Uranium prices rose, supported mainly by growing demand for nuclear energy.

Global inflation



The IMF projects global inflation to increase from 4.1 percent in 2025 to 4.7 percent this year, before falling to 3.9 percent in 2027.

Monetary Policy Stance

Country/Grouping	Policy rate name	Policy change since	Current policy	Latest inflation	Real interest
United States	Federal funds rate	0.00	3.50–3.75	3.5	0.25
United Kingdom	Bank Rate	0.00	3.75	2.6	1.15
Japan	Call rate	0.00	1.00	1.7	-0.70
Euro Area	Refinancing rate	0.00	2.40	2.8	-0.40
Brazil	Selic target rate	-0.25	14.25	4.6	9.65
Russia	Key rate	-0.25	14.25	6.0	8.25
India	Policy repo rate	0.00	5.25	4.4	0.85
China	Repo rate	0.00	3.00	1.0	2.00
South Africa	Repo rate	0.00	7.00	4.5	2.50

03

Domestic Economic Developments

Domestic Economy

REAL SECTOR

- The **Namibian economy** remains on a positive but moderate growth. The Primary industry remains weak, negatively affected by low diamond prices and diminishing gold deposits.
- **Headline inflation** remained low during the first six months of 2026 but started to increase since April 2026 in line with surging global oil prices.

EXTERNAL SECTOR

- The **merchandise trade deficit** is anticipated to remain high in 2026, mainly due to high imports by the mining sector.
- The stock of **foreign reserves** stood at N$56.4 billion at the end of June 2026, translating into an estimated import cover of 3.5 months.

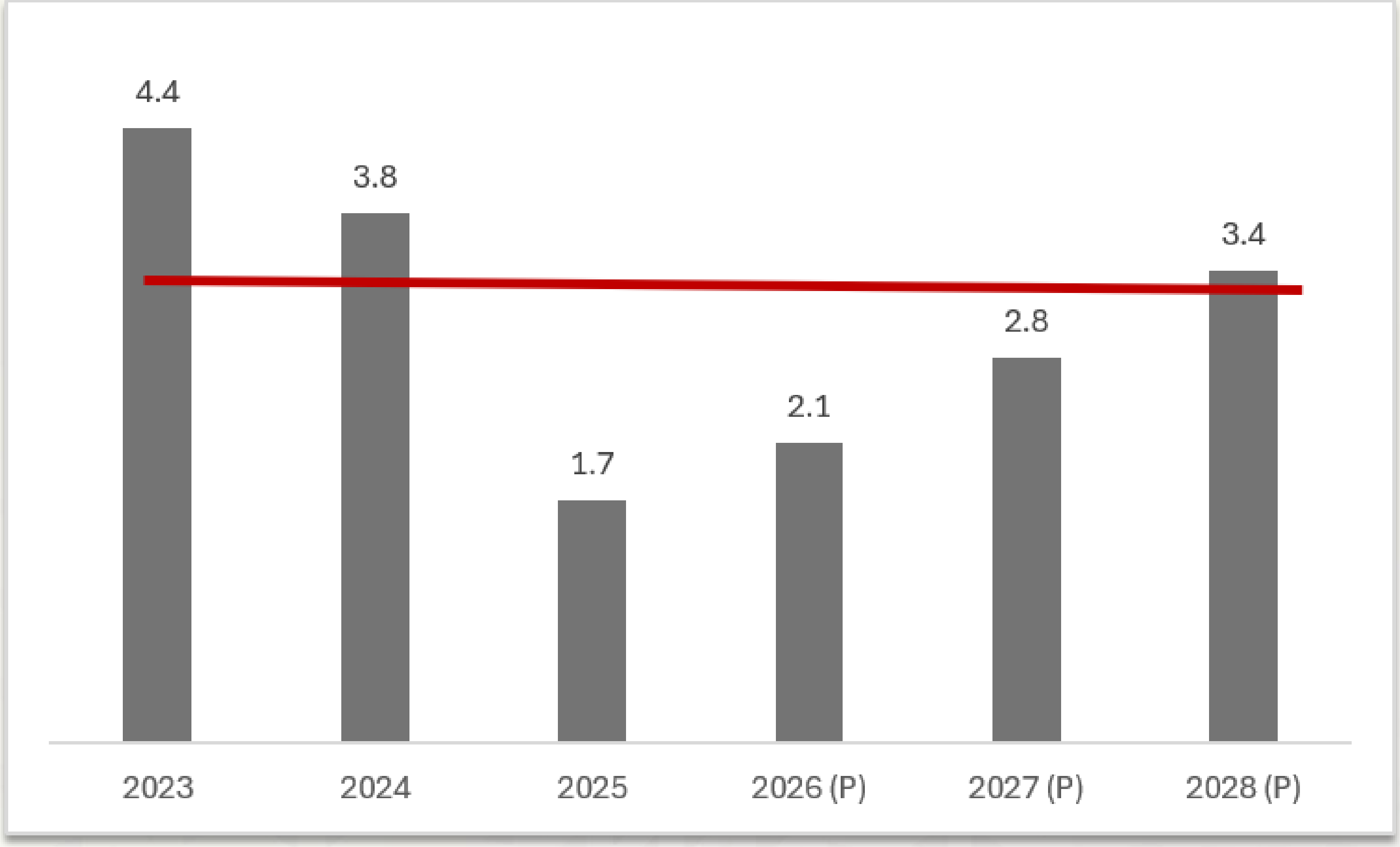
PUBLIC SECTOR

- **Government debt** stood at N$181.9 billion at the end of June 2026, representing a yearly increase of 6.1 percent.
- As a percentage of GDP, debt stood at 65.2 percent at the end of June 2026.

MONETARY SECTOR

- Growth in **private sector credit** remained low across businesses and households alike, largely reflecting limited activity in the property (mortgage) sector, amid the prevailing slower economic activity.

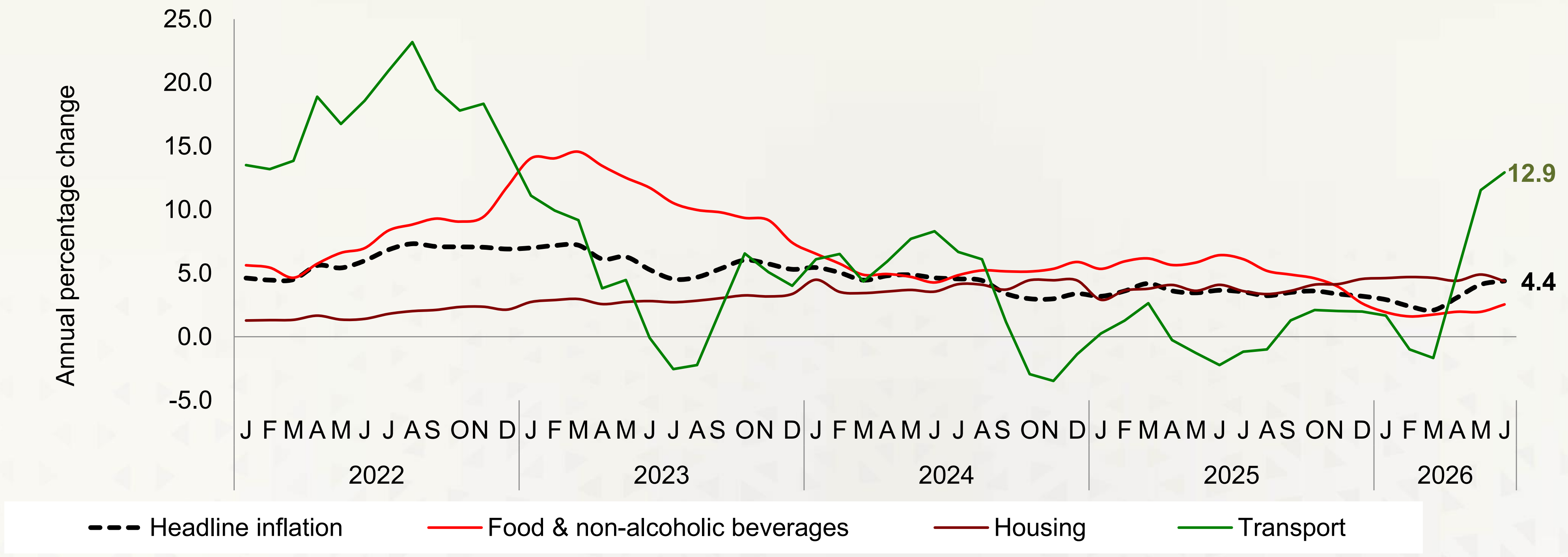
GDP Growth



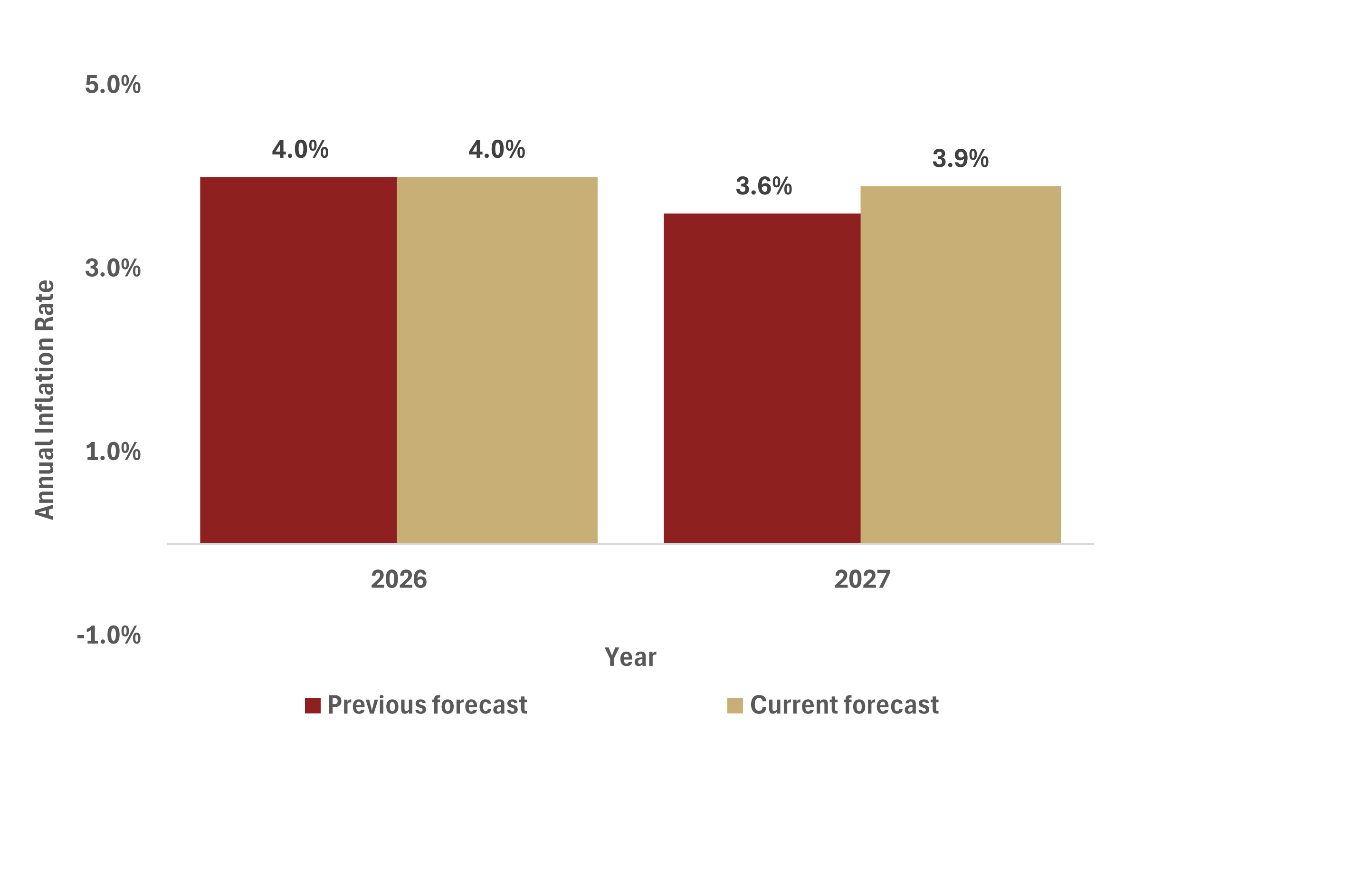
- Moderate economic growth prospects
  - Climatic shocks
  - Diamond prices
- Uranium mining is emerging as a key source of growth.
- Strong growth in Financial services, Wholesale & Retail, Construction, Electricity & Water.
- Oil and gas prospects are the main green shoots on the horizon.

Domestic Inflation

The headline inflation increased to 4.4 percent in June 2026, up from 4.1 percent in May, primarily driven by rising prices in the transport category.



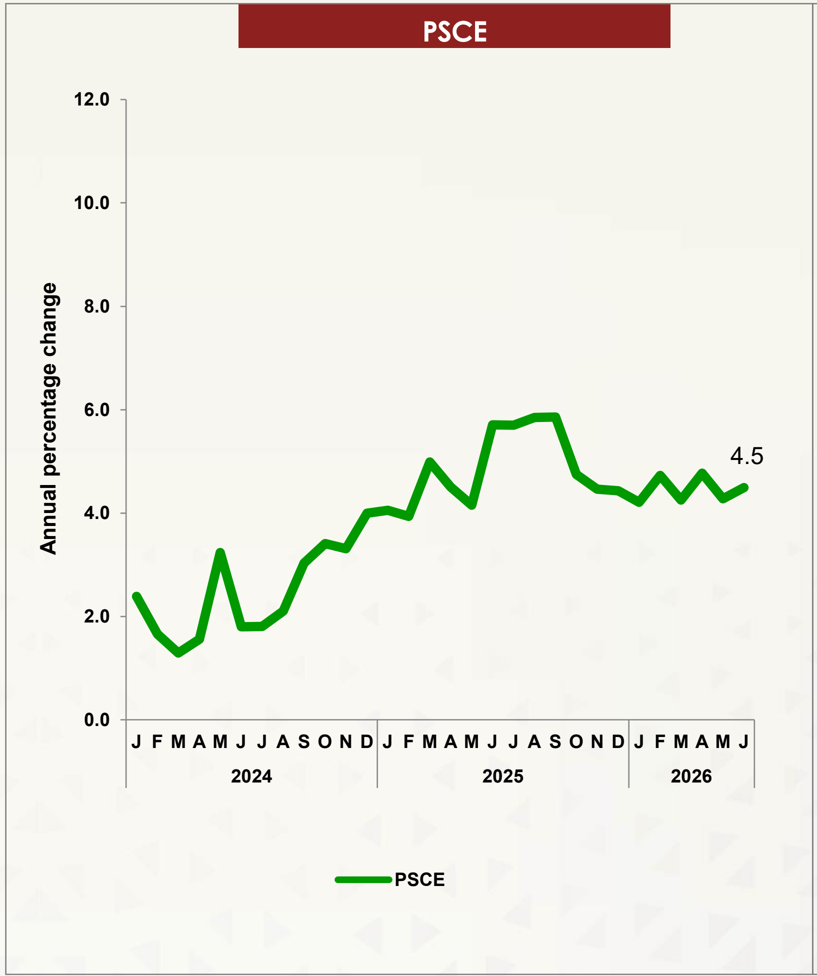
Inflation Outlook

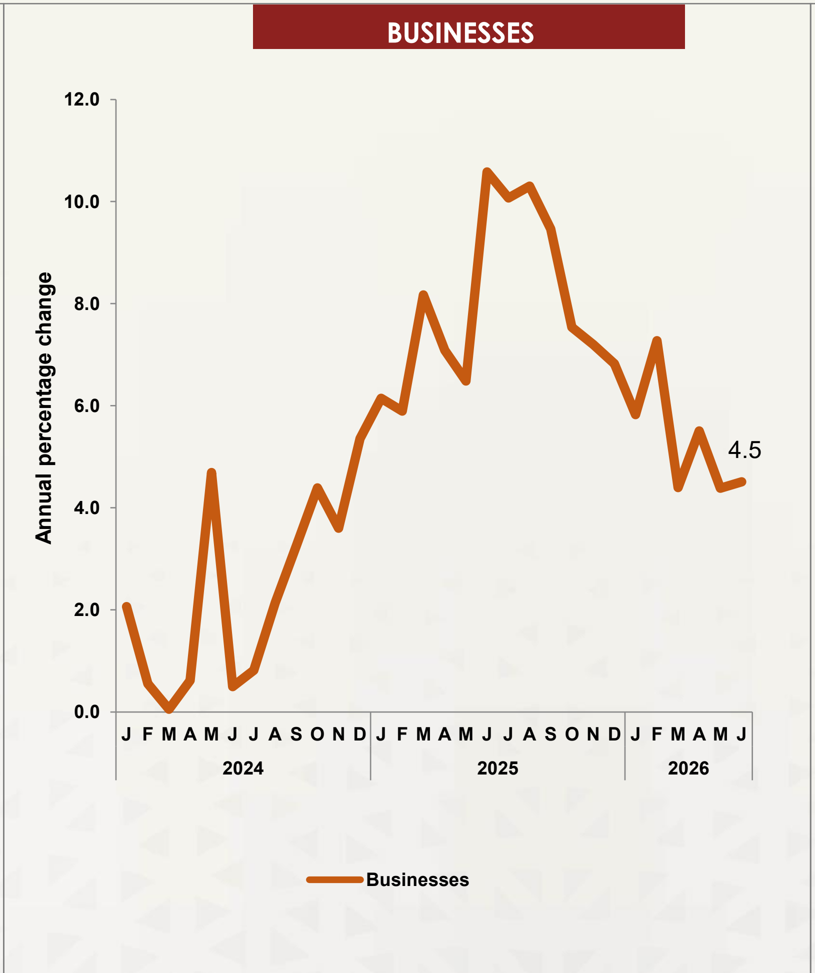


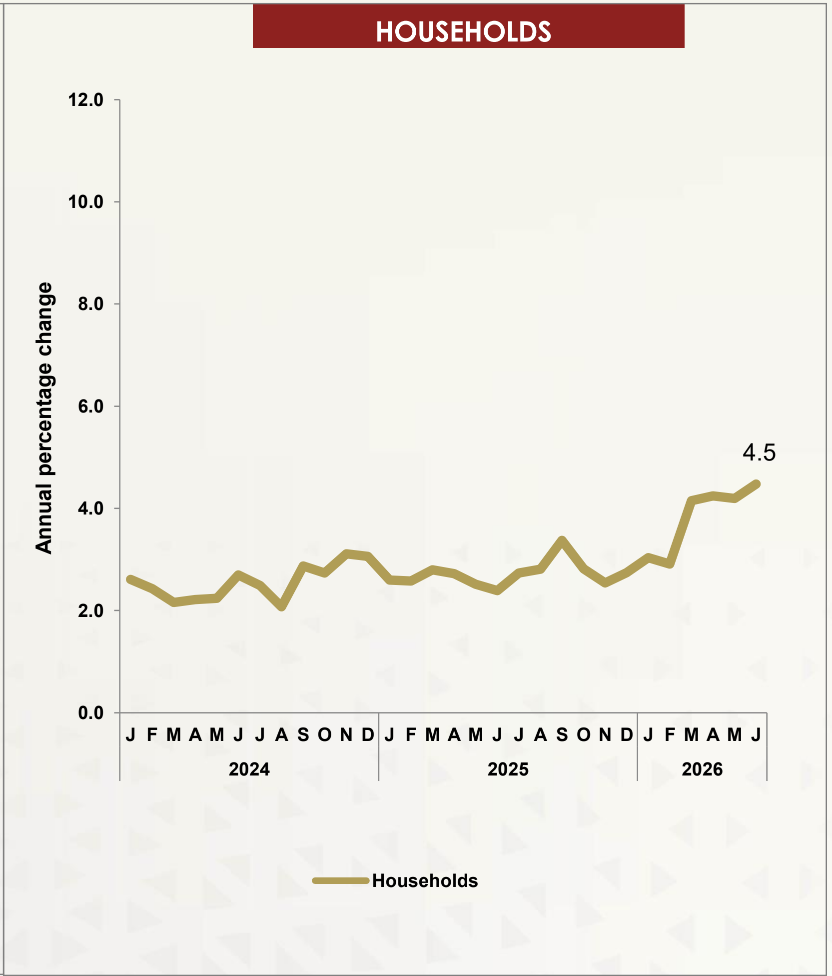
Inflation is expected to rise to 4.0 percent in 2026 and remain elevated at 3.9 percent in 2027, largely reflecting ongoing uncertainty in the Middle East and its spillover effects on grain markets and other related input costs.

The inflation forecast for 2026 remains unchanged, while that of 2027 is revised upwards.

Private Sector Credit



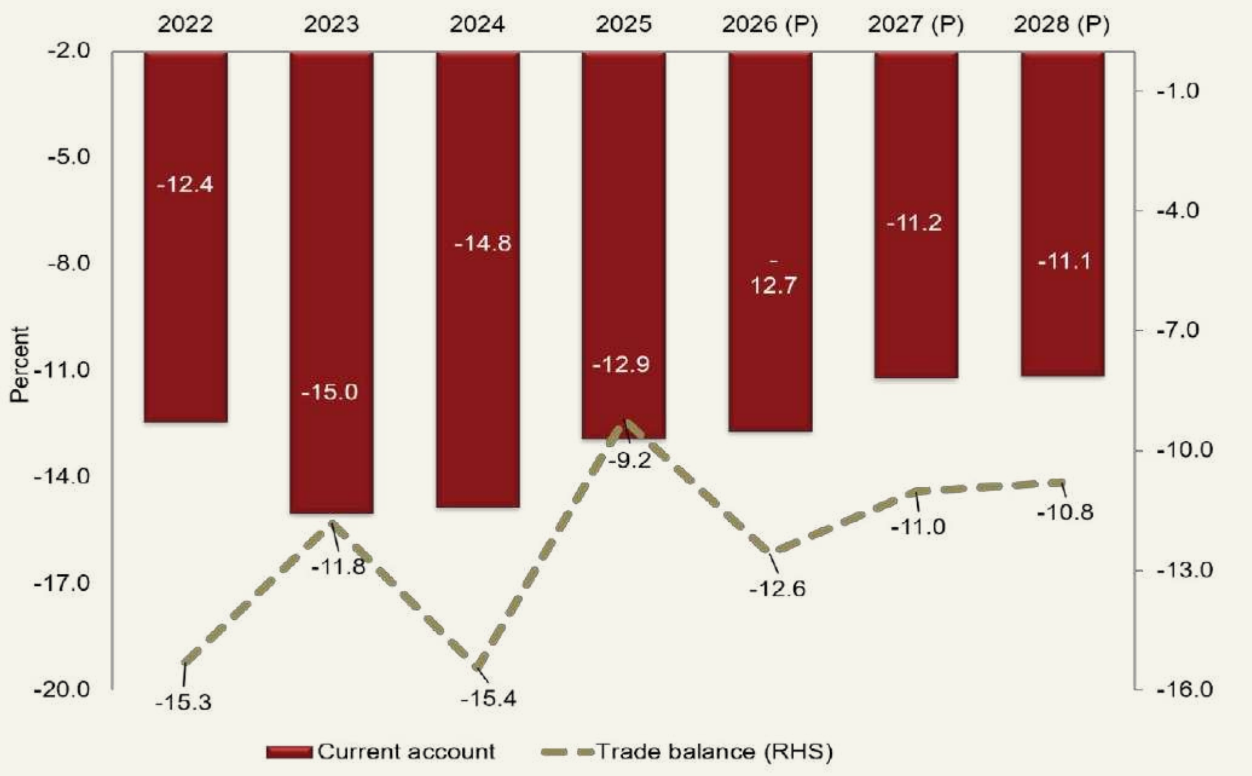




MERCHANDISE TRADE BALANCE

N$ million	First Half of 2025	First Half of 2026	Growth rate
Merchandise trade balance	**-12,773**	**-19,321**	**51.3%**
Exports fob	**47,162**	**50,305**	**6.7%**
Diamonds	4,585	3,814	-16.8%
Uranium	12,250	12,781	4.3%
Gold	9,523	8,624	-9.4%
Other mineral products	2,135	2,553	10.3%
Food and live animals	1,189	2,085	75.4%
Manufactured products	12,938	14,576	12.7%
of which is fish	*8,015*	*8,866*	10.6%
Other commodities (Mainly electricity)	1,720	2,334	29.9%
Re-exports	2,642	3,636	36.8%
Imports fob	**59,935**	**69,661**	**16.2%**
Consumer goods	17,211	16,876	-1.9%
Mineral fuels	10,978	16,136	47.0%
Vehicles, Aircraft, Vessels	6,835	7,765	13.6%
Machinery and Mechanical Appliances	11,249	12,651	12.5%
Base Metals and Articles of Base Metal	3,544	4,154	17.2%
Products of the Chemical Industries	6,133	6,502	6.0%
Precious or Semiprecious Stones,	153	602	292.9%
Other imports (Mainly electricity)	3,832	4,976	29.8%

Current account

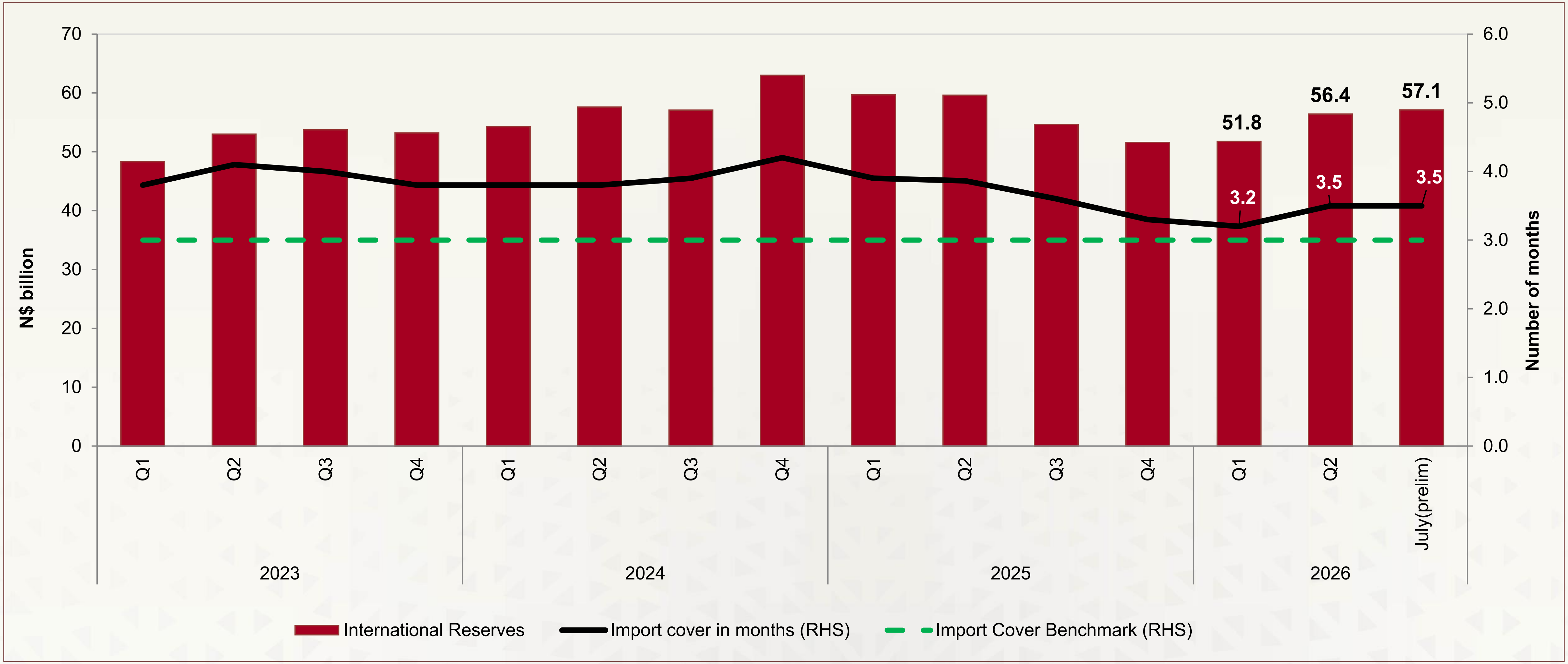


Namibia's current account deficit as % of GDP is projected to moderate in 2026 but remains high.

High deficits due to mining and oil and gas activities, where imports of services, machinery and mineral fuels are expected to remain elevated.

Such deficit are not of macroeconomic concern as they are financed through Foreign Direct Investments (FDI).

Foreign reserves



Gold Acquisition

- **Globally, gold has emerged as a critical reserve asset** valued for its stability and ability to act as a hedge against systemic shocks.

- **The Bank has developed a structured acquisition framework** grounded in international best practice and supported by engagements with peer central banks to strengthen Namibia's official reserve assets.

Gold is sourced directly from a domestic producer since April 2026 and refined through an accredited refinery.

The Bank acquired 8,573.52 ounces of gold, valued at approximately NAD 568.1 million as at 3 August 2026.

The Bank will prudently continue executing the approved acquisition strategy over the remainder of 2026.

04

Conclusion

Conclusion

A

The MPC unanimously decided to maintain the Repo rate at 6.75 percent.

B

This is deemed appropriate to support the foreign reserves and safeguard the exchange rate peg.

D

Commercial banks are expected to keep their Prime lending rates at 10.25 percent.

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The next MPC meeting will be held on 26 and 27 October 2026.

Bank of Namibia

THANK YOU!