

JOINT MEDIA RELEASE

Date: 6 February 2023

Attention: News Editor

MINISTRY OF FINANCE AND PUBLIC ENTERPRISES, BANK OF NAMIBIA REVIVE SME ECONOMIC RECOVERY LOAN SCHEME

1. Through its reinstated SME Economic Recovery Loan Scheme, the Ministry of Finance and Public Enterprises and the Bank of Namibia last week upheld commitment towards supporting Small and Medium Enterprises effectively to guarantee economic revival by availing N\$ 500 million towards the scheme for eligible enterprises.
2. The loan scheme has been designed to assist Small and Medium Enterprises (SMEs) to withstand the prevailing economic challenges by providing working capital and liquidity to aid them in managing their cashflows and cover certain costs. As a result, they will continue operating and covering their expenditures while restructuring their operating models to future-proof their businesses. This will promote economic development and reduce unemployment and income inequality in Namibia.
3. In collaboration with the participating banks, the Ministry of Finance and Public Enterprises and the Bank of Namibia reformed the former Covid-19 SME Loan to accommodate SMEs that struggled to meet the qualifying criteria and expanded the reach so that business owners are aware of the facility and can participate meaningfully.
4. The revised features of the scheme will enable SMEs to qualify for loans ranging from N\$ 50 000 (Fifty thousand Namibia dollars) up to N\$ 10 000 000 (Ten million Namibia dollars). The obligation to pay interest and capital on these loans will be deferred for six months from the date of the first drawdown. The loans are granted at the prevailing prime lending rate minus 50 basis points.

5. Interested SMEs should have an annual turnover not exceeding N\$ 60 000 000 (sixty million Namibia dollars) and should be able to continue operations in the foreseeable future by demonstrating solvency. Entities (including sole proprietorships) should be registered with BIPA and, where it is a regulatory requirement, registered with the national tax authority, Namibia Revenue Agency (NamRa). Enterprises that wish to be assisted through the scheme should ensure that they have no existing business recovery loans in place with any other financial institution.
6. As business models are being upended, the Governor of the Bank of Namibia urged businesspeople to access financing provided through the scheme while also reconsidering and rethinking their business models to develop viable opportunities for the future. "It makes sense to begin planning now to capitalize on potential opportunities, especially in developing sectors such as green hydrogen, oil, and rare-earth metals. Sectors of strategic importance, such as non-renewable and renewable energy, should prioritise local suppliers and the development of local competencies across value chains."
7. Deputy Minister of Finance and Public Enterprises, Maureen Hinda-Mbuende, extended her acknowledgment to the partners in the operationalization of the scheme who made it more responsive to the SME sector needs. "The overarching objective of the new scheme is to lend a helping hand to those critical but struggling businesses in our economy. This sector has adjusted the sails in response to the headwinds faced, and our businesspeople have shown tenacity and perseverance".
8. Participating banks in this scheme are FNB Namibia, Bank Windhoek, Standard Bank and Nedbank. Interested SMEs are therefore encouraged to engage their respective banks for more information on credit terms and conditions. Participating banks will receive applications and do credit assessments at their discretion.



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