

Date: 19 February 2024

Attention: News Editor

Ref: 9/6/2

FOR IMMEDIATE RELEASE

BANK OF NAMIBIA HOSTS INAUGURAL MONETARY POLICY STRATEGY SESSION

1. The Bank of Namibia successfully concluded its first Monetary Policy Strategy Session, a landmark event aimed at fortifying the understanding and implementation of monetary policy within the country. The session, held on February 15, 2024, brought together key stakeholders including members of the Bank's Monetary Policy Committee (MPC), Board members, and essential staff.
2. The primary objective of this historic session was to educate and sensitise participants on the intricate process of formulating monetary policy at the Bank of Namibia. Drawing insights from esteemed sister central banks such as the South African Reserve Bank (SARB) and the Bank of Botswana, as well as international experts, the event provided a comprehensive platform for discussion and learning.
3. Dr. Chris Loewald, the Head of Economic Research at the SARB, shared invaluable insights into South Africa's monetary policy process, offering a nuanced understanding of the complexities involved in managing inflation and fostering economic stability. Dr. Masalila, Deputy Governor of the Bank of Botswana, emphasised the importance of transparency and effective communication in shaping monetary policy decisions. His presentation shed light on Botswana's successful monetary policy framework and exchange rate regime.
4. In a thought-provoking session, Prof. Ricardo Hausmann, Founder and Director of Harvard's Growth Lab, delved into the international experiences surrounding currency pegs. Prof. Hausmann underscored the perils associated with unsustainable currency pegs, citing the printing of money as a primary catalyst for economic turmoil. His insights provided a sobering reminder of the critical importance of sound monetary policy principles.
5. Further enriching the discussion, Prof. Martin Grandes, Professor of Economics at the University of Buenos Aires, explored the intricate considerations involved in selecting an

optimal exchange rate regime. His expertise provided attendees with valuable perspectives on navigating the complexities of exchange rate management in an increasingly interconnected global economy.

6. The Monetary Policy Strategy Session served as a platform for robust discussions on the past, present, and future of monetary policy in Namibia. Participants engaged in critical dialogue surrounding the challenges and opportunities that lie ahead, with a keen focus on enhancing the efficacy of monetary policy instruments and frameworks.
7. Mr. Johannes !Gawaxab, Governor of the Bank of Namibia, commended the participants for their active engagement and reiterated the Bank's commitment to maintaining price stability and fostering sustainable economic growth.
8. Said Governor !Gawaxab: "As we convene to navigate the complexities of steering our nation's monetary policy amidst a myriad of challenges, it is imperative to acknowledge the significance of our roles in guiding the economic trajectory of our open, small economy. Against a backdrop of geopolitical tensions, resurfacing inflationary pressures, and the emergence of disruptive technologies such as Artificial Intelligence (AI), along with the risks posed by climatic swings, our deliberations take on heightened importance. We are committed to leveraging our collective expertise and insights to ensure that our monetary policy remains adaptive and responsive to the evolving global landscape, thereby fostering macroeconomic stability and driving sustainable economic growth for the prosperity of all Namibians."
9. The Governor used the engagement as an opportunity to reemphasise the Bank's view that the benefits of the current exchange rate regime outweigh the costs and maintained that the Bank of Namibia will continue to safeguard the one-to-one link between the Namibia Dollar and the South African Rand.

Issued by:



Naufiku Hamunime
Acting Director: Strategic Communication & International Relations,
Bank of Namibia

Tel: (061) 283 5114 or email: info@bon.com.na