



Bank of Namibia

CLOSING REMARKS PREPARED FOR DELIVERY AT THE 27TH ANNUAL SYMPOSIUM

Mr. Nicholas Mukasa

NAMIBIA'S PRE-OIL PRODUCTION PHASE: ASSESSING CHOICES THAT UNLOCK LONG-TERM ECONOMIC VALUE

Thank you, Director of Ceremonies;

Hon. Modestus Amutse, Minister of Industries, Mines and Energy; (*in absentia*)

Mr Ebson Uanguta, Governor of the Bank of Namibia;

Executive Directors of Government Offices, Ministries and Agencies;

Ms Leonie Dunn, Deputy Governor of the Bank of Namibia;

Board Members, Senior Management and Staff of the Bank of Namibia;

Members of the National Assembly and National Council;

Distinguished Speakers;

Distinguished Local and International Panellists,

The Oil and Gas Industry Players;

Members of the Media;

All invited guests;

Ladies and Gentlemen,

Good afternoon!

- 1. As we draw this symposium to a close, allow me to express my sincere appreciation to all participants, speakers, panellists, and organisers who have contributed to what has been a rich and forward-looking discussion on the opportunities and challenges presented by Namibia's emerging oil and gas sector. It has been a great pleasure for the Bank of Namibia to**

host you at this year's Annual Symposium, under a theme that speaks directly to Namibia's future: "Namibia's Pre-Oil Production Phase: Assessing Choices that Unlock Long-term Economic Value."

2. **Today's deliberations indeed dissected this theme in a thought-provoking and comprehensive manner**, from the overview of Namibia's oil and gas industry, to international lessons on oil and gas as a driver of economic growth, to the regulatory frameworks and strategic options available to us, and the panel's rich exchange on governance, institutional capacity, and legal readiness. And, as the Honourable Minister indicated, Namibia's pre-oil period is a strategic window to strengthen institutions, align investment, prepare citizens and define the national value expected from petroleum. Success must be measured through jobs, skills, stronger local businesses, reliable infrastructure and tangible improvements in the lives of Namibian families.
3. **One of the lessons emerging from today's deliberations is a reminder that Namibia's oil and gas discoveries will translate into broad and lasting prosperity**, but only if this development is managed deliberately, rather than rushed and uncoordinated. These resources are national assets, belonging to the people of Namibia, including generations yet to come, and their conversion into financial wealth must produce value that outlasts the resource itself.
4. **An important distinction was drawn that sound petroleum governance rests on a few key principles**. These are **regulatory certainty, institutional effectiveness, national participation and value addition**, and, most importantly, **readiness for the production phase**. However, regulatory certainty must not become regulatory stagnation; rather, our frameworks must evolve and adapt to changing market conditions. While investors seek predictable rules, efficient decision-making, and fair returns, Namibia must ensure that petroleum development translates into meaningful skills transfer, business growth, local value creation, and broader economic benefits for its people.
5. **Building that system will require urgency and deliberateness in equal measure**. As Namibia moves from exploration to production, it will assume new and more complex regulatory functions, demanding specialised technical expertise, stronger coordination among regulatory institutions and a significant expansion of institutional capacity. While international expertise will be needed in the short term, it should be accompanied by binding knowledge-transfer and successor-training arrangements to ensure that local content builds genuine capability, especially among the young people who will carry this economy forward.

6. **In addition, we are reminded that a Local Content Policy is only as strong as its enforceability.** Enforceability encourages compliance, and compliance is what ultimately opens the door to broader local participation. Also, local content should not only be measured by the number of jobs created or contracts awarded. While the numbers are important, it is equally necessary to have a system for measuring whether enterprises are truly participating in the sector. We must guard against rent-seeking behaviour so that the benefits of the sector are shared broadly across society.
7. **Protecting the public revenue base is equally important and requires sound petroleum tax administration.** The discussions therefore emphasised efficient tax collection and prudent revenue management and further highlighted the importance of directing petroleum revenues towards productive infrastructure and broader national objectives, including industrialisation, energy security, economic diversification and intergenerational wealth creation.
8. **As we reflect on the opportunities before us, Namibia must continue to draw valuable lessons from the experience of countries that have faced the phenomenon commonly known as the “Dutch Disease”.** As mentioned, this occurs when large foreign exchange inflows from natural resource exports lead to currency appreciation, making other sectors such as agriculture, manufacturing, tourism, and fishing less competitive. The lesson is clear: resource wealth should complement, not crowd out, the broader economy.
9. **Namibia must therefore safeguard economic diversification, invest resource revenues in productive infrastructure and human capital, strengthen domestic value chains, and maintain prudent fiscal and monetary policies.** By learning from the experiences of others, we can avoid the pitfalls of overdependence on a single sector and ensure that oil and gas become a catalyst for broad-based and sustainable economic development rather than a substitute for it.

Ladies and gentlemen,

10. **As we position Namibia to benefit from the opportunities presented by oil and gas, we must also remain steadfast in protecting one of our most valuable and sustainable natural assets: our marine environment.** Namibia's coastline is home to one of the world's most productive marine ecosystems, sustaining our fishing industry, supporting thousands of livelihoods, attracting tourism, and contributing significantly to economic activity. The expansion of offshore exploration and production brings with it risks of pollution, oil spills, habitat disruption, and other environmental

impacts that could have long-lasting consequences if not properly managed. We therefore have a collective responsibility to ensure that the highest environmental standards, monitoring systems, emergency response capabilities, and governance frameworks are in place from the outset.

11. Another key lesson emerging from this symposium is that transparency and the proactive management of public expectations are critical pillars of successful resource governance.

The symposium, therefore, underscored the importance of clear communication, sustained public engagement, and transparency around timelines, opportunities, and constraints, which is essential for maintaining public trust and mitigating the risk of social discontent arising from unmet expectations.

12. We remain hopeful that the outcome of today's Symposium will further deepen and sharpen

our collective thinking, and translate into coordinated action, so that Namibia's pre-production window is used deliberately to build the institutions, skills and financial readiness that this sector demands.

13. In conclusion, ladies and gentlemen, our collective task, as policymakers and industry players alike, is to ensure that petroleum development in Namibia translates into broad-based socio-economic benefits for all our people.

14. On behalf of the Bank of Namibia, I extend my sincere appreciation to the Minister of Industries, Mines and Energy for honouring us with his presence and delivering the keynote address. I also thank our invited guests, presenters, Director of Ceremonies, panellists, and everyone who took time from their busy schedules to share their knowledge and insights with us today.

15. Special thanks go to the Bank of Namibia staff and media team for their invaluable contribution to the success of this event. And, as always, we will compile and publish today's proceedings in our Annual Symposium Proceedings Booklet towards the end of the year, and it will be available on the Bank of Namibia Website.

16. With that said, ladies and gentlemen, we look forward to seeing you at next year's symposium, with a new and exciting topic.

I Thank You.