



**Bank of Namibia**

# Monetary Policy

**Announcement**

**Wednesday,  
18 February 2026**

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**Mr Ebson Uanguta  
Governor**





**Monetary  
Policy  
Decision**

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**Domestic  
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**Global  
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01

# Monetary Policy Decision



# Monetary Policy Decision



The **Repo rate** remained unchanged at **6.50%**

- ✓ **The Monetary Policy Committee (MPC)** of the Bank of Namibia met on the 16<sup>th</sup> and 17<sup>th</sup> of February 2026.
- ✓ The MPC decided to **maintain the Repo rate** to protect the peg between the Namibia Dollar and the South African Rand. This decision also supports the domestic economy.
- ✓ Commercial banks are expected to **keep their prime lending rates at 10.00 percent**.
- ✓ The MPC noted continued **appreciation of the exchange rate**, which helped control inflation.
- ✓ Weaker domestic **economic activity and private sector credit extension** were also considered.
- ✓ The MPC **chose to keep the repo rate unchanged** to ensure stability in capital flows and the currency peg arrangement.
- ✓ This decision followed a comprehensive review of global, regional, and domestic economic developments.

02

# Global Economic Developments and Outlook



# Snapshot of global economic developments

- ✓ Global economic growth remained steady in 2025 relative to 2024, and is projected to continue at the same pace in 2026.
- ✓ Global headline inflation-well contained in 2025, compared to 2024 and may decrease further in 2026 and 2027.
- ✓ Stock markets recorded gains in the review period.
- ✓ Since the last MPC, MP paths in AEs & EMDEs mixed.

## Risks to the global economy are tilted to the downside:

- ✓ Policy uncertainty to weigh on business & consumer confidence.
- ✓ Larger fiscal deficits & high public debt could put pressure on long-term interest rates and, in turn, on broader financial conditions.
- ✓ AI-driven productivity may weaken leading to falling investment trigger a financial market correction.



# Global Economic Outlook

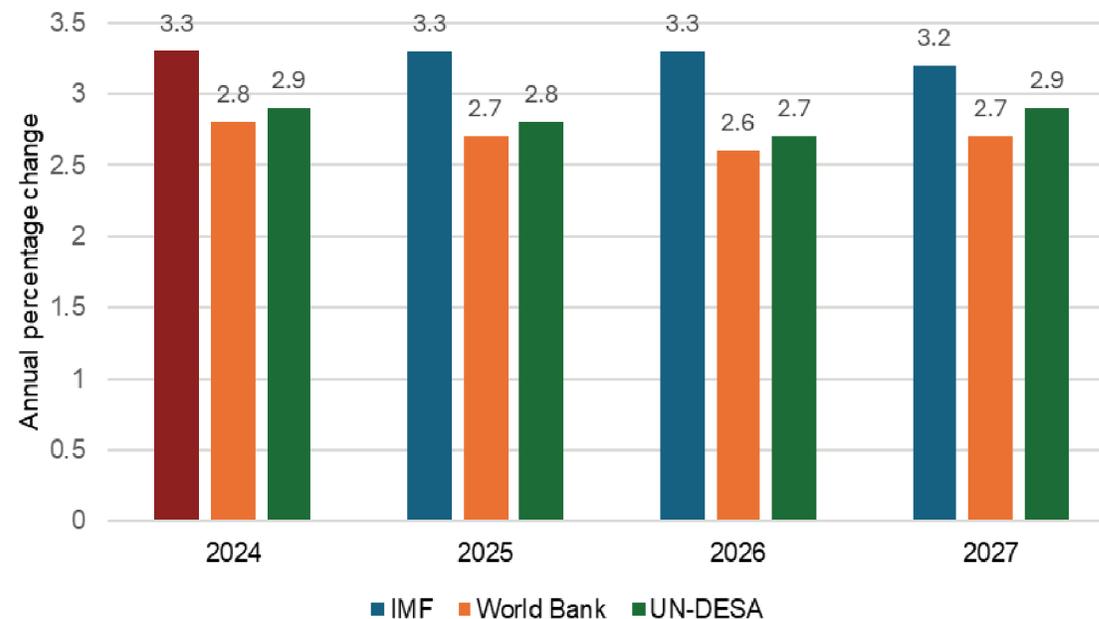


**Global growth projected to stay steady in 2026 & 2027.**

Growth estimated at 3.3% in 2026 by IMF & 2.6% & 2.7% by WBG & UN-DESA.

## Key factors driving global growth entail

- ✓ Rising investment, especially in technology sectors such as AI is helping to support momentum.
- ✓ Fiscal & monetary policies & favourable financial conditions to support the outlook.
- ✓ Wage gains in AEs will boost private consumption.



Source: IMF, World Bank & UN-DESA-January 2026

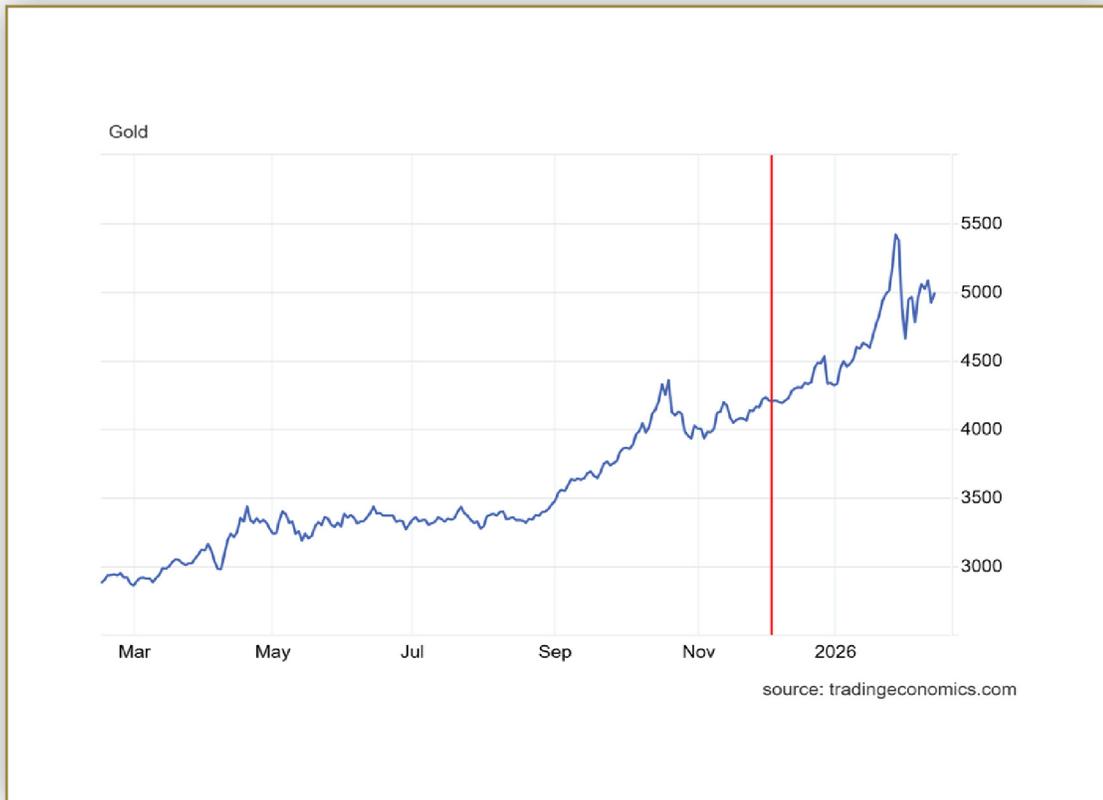
A golden bull statue stands prominently on a stack of gold bars. The scene is bathed in warm, golden light, creating a rich, textured appearance. A large, semi-transparent red circle is overlaid on the left side of the image, containing the word 'COMMODITIES' in white, bold, uppercase letters. The background shows more gold bars and a blurred golden bokeh effect.

# COMMODITIES

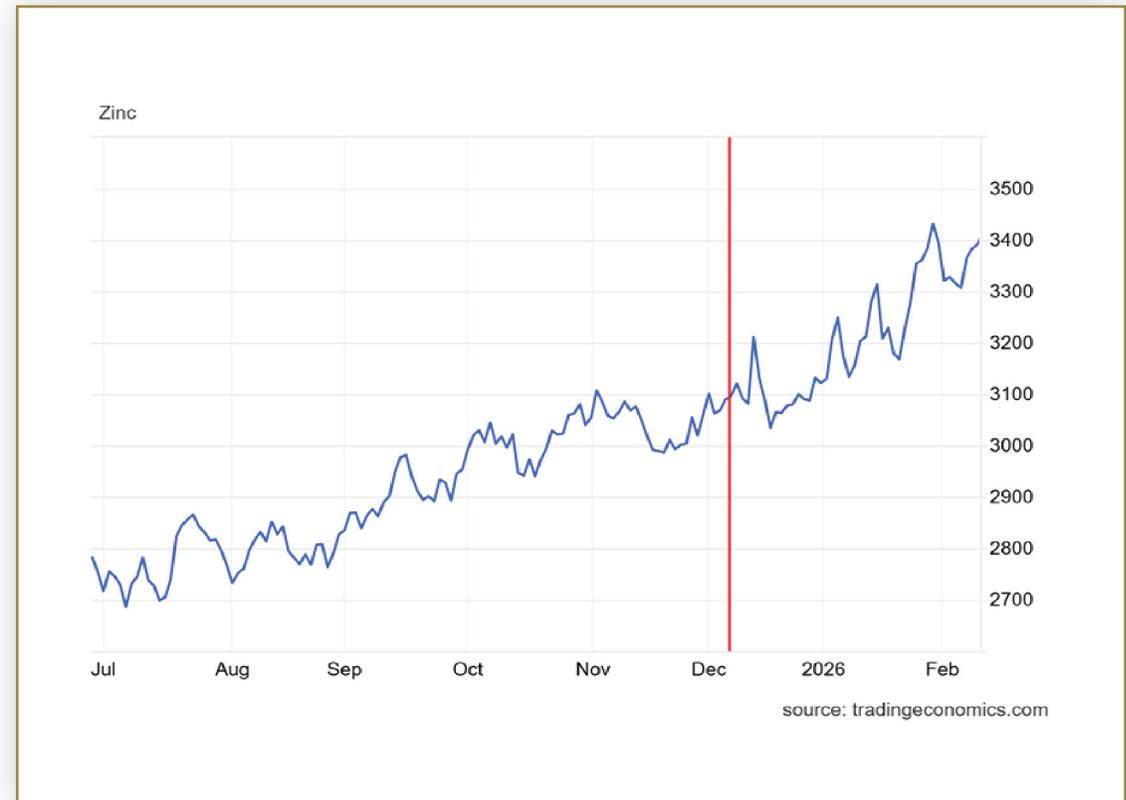
# Commodity Prices



Gold prices elevated—safe haven status.



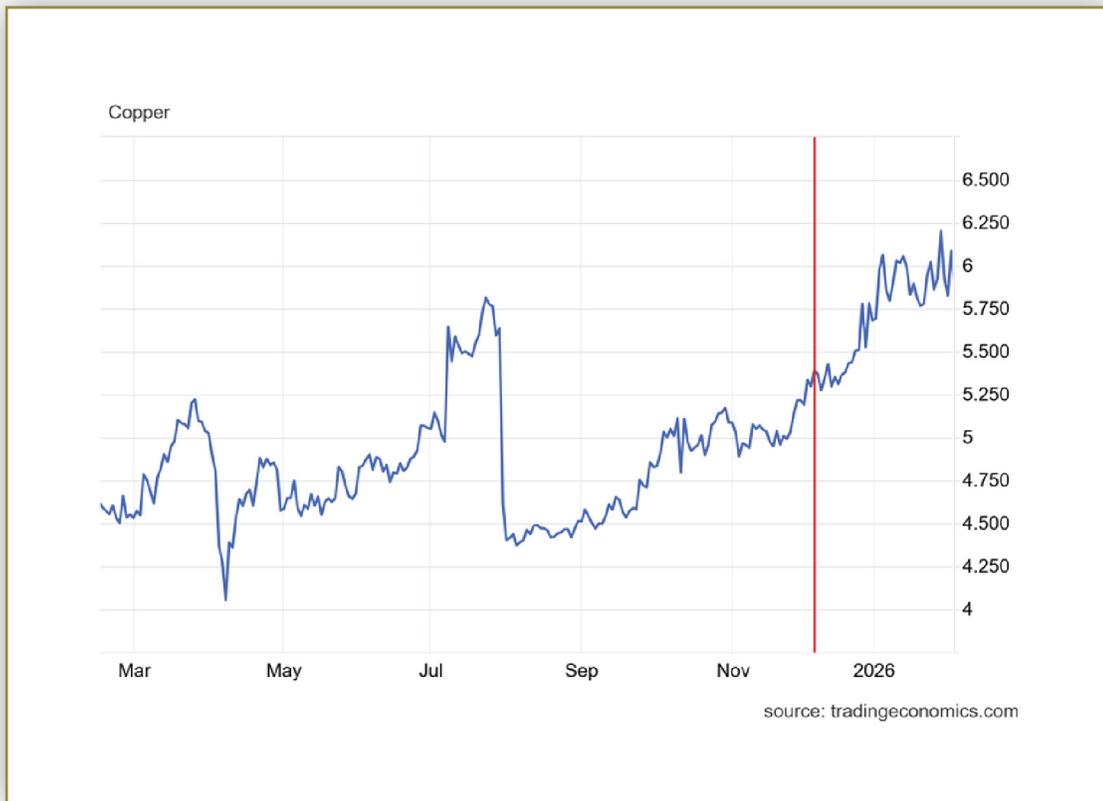
Zinc price elevated in February 2026 owing to limited supply



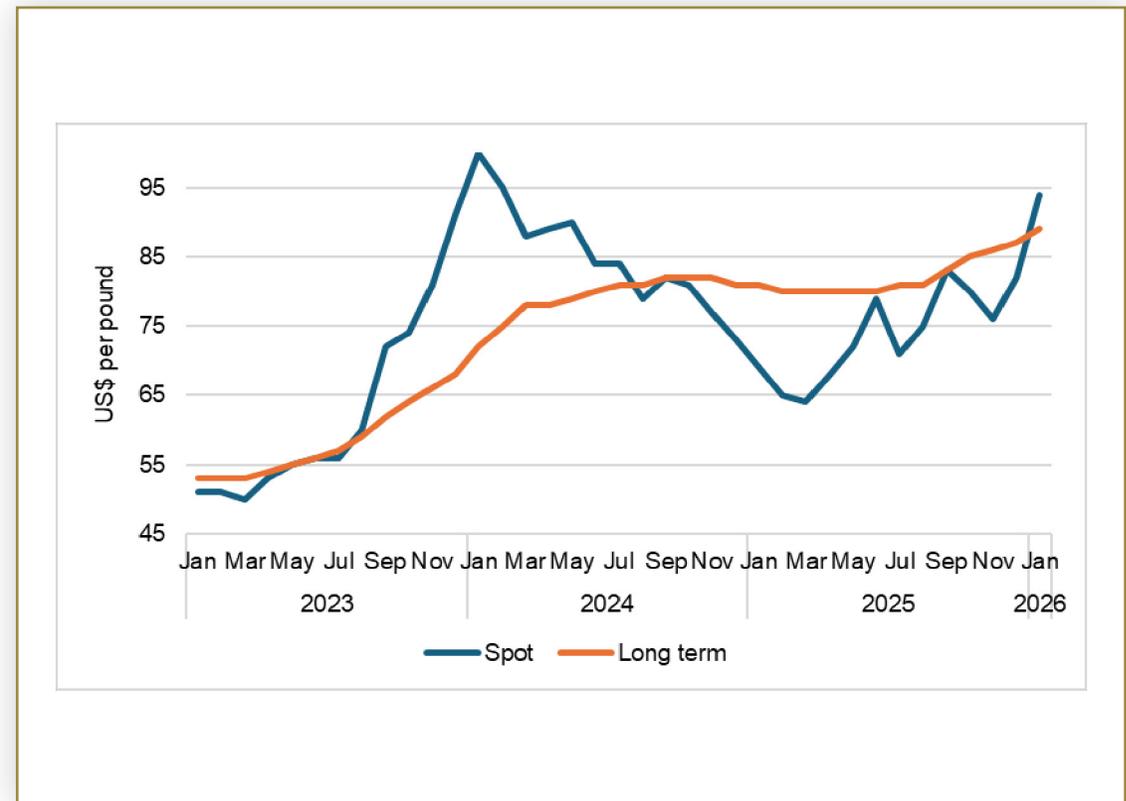
# Commodity Prices



## Copper price elevated on high demand



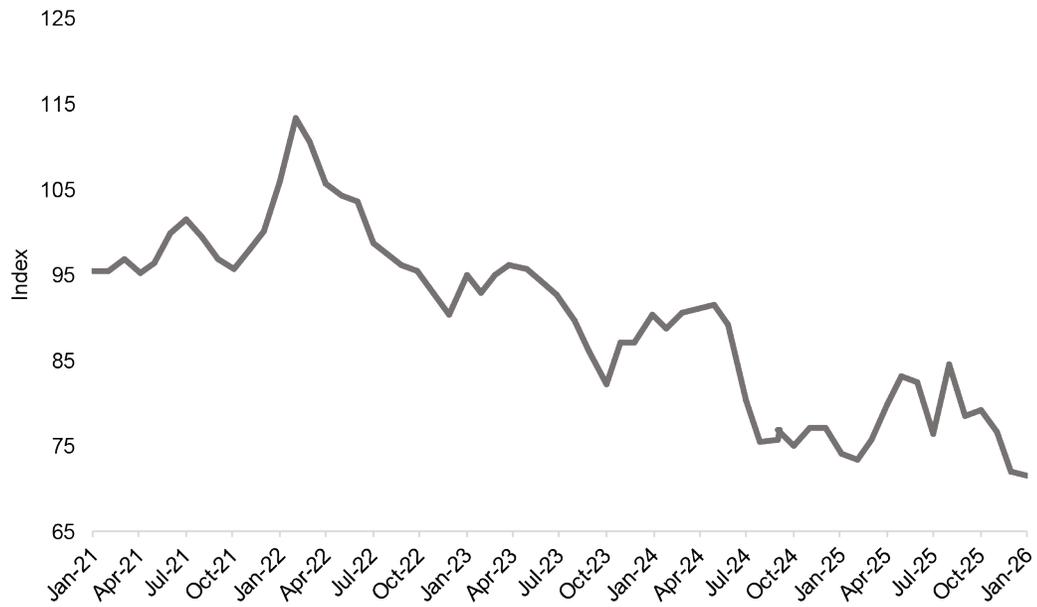
## Uranium prices rose driven by high demand & limited supply



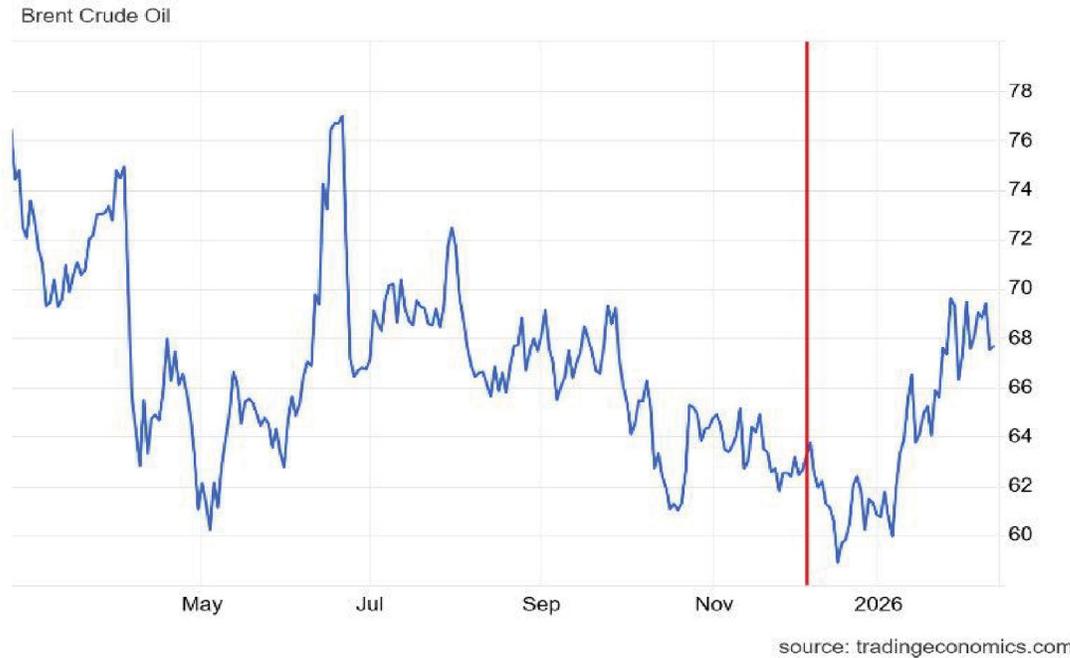
# Commodity Price Developments: **Brent crude oil & Diamond prices**



Prices under pressure due to competition from lab-grown diamonds and high inventory levels.



Crude oil prices reversed the downward momentum due to rising renewed geopolitical tensions.





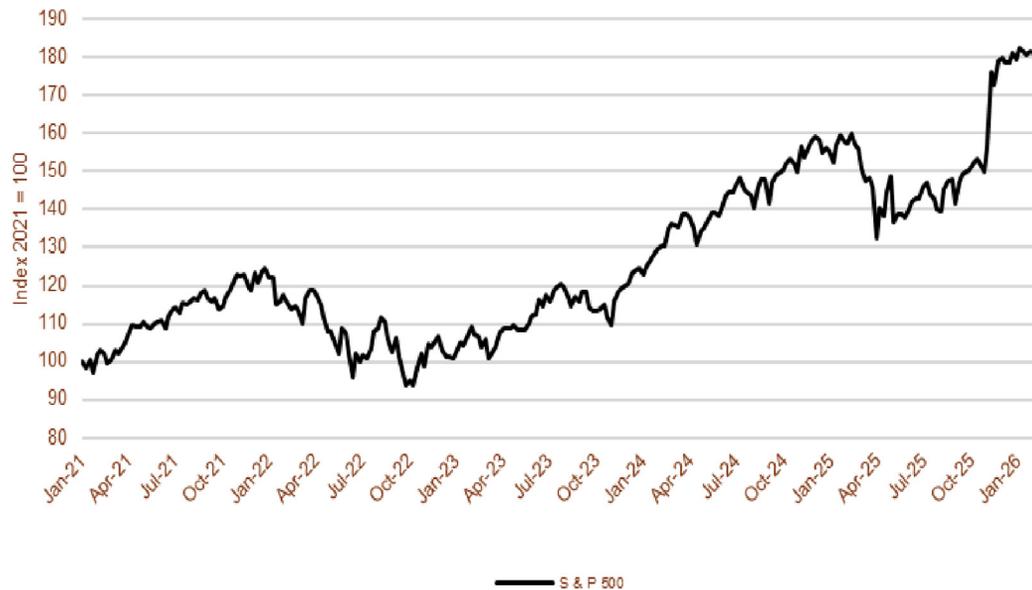
# STOCK MARKETS



# Global Stock markets recorded gains

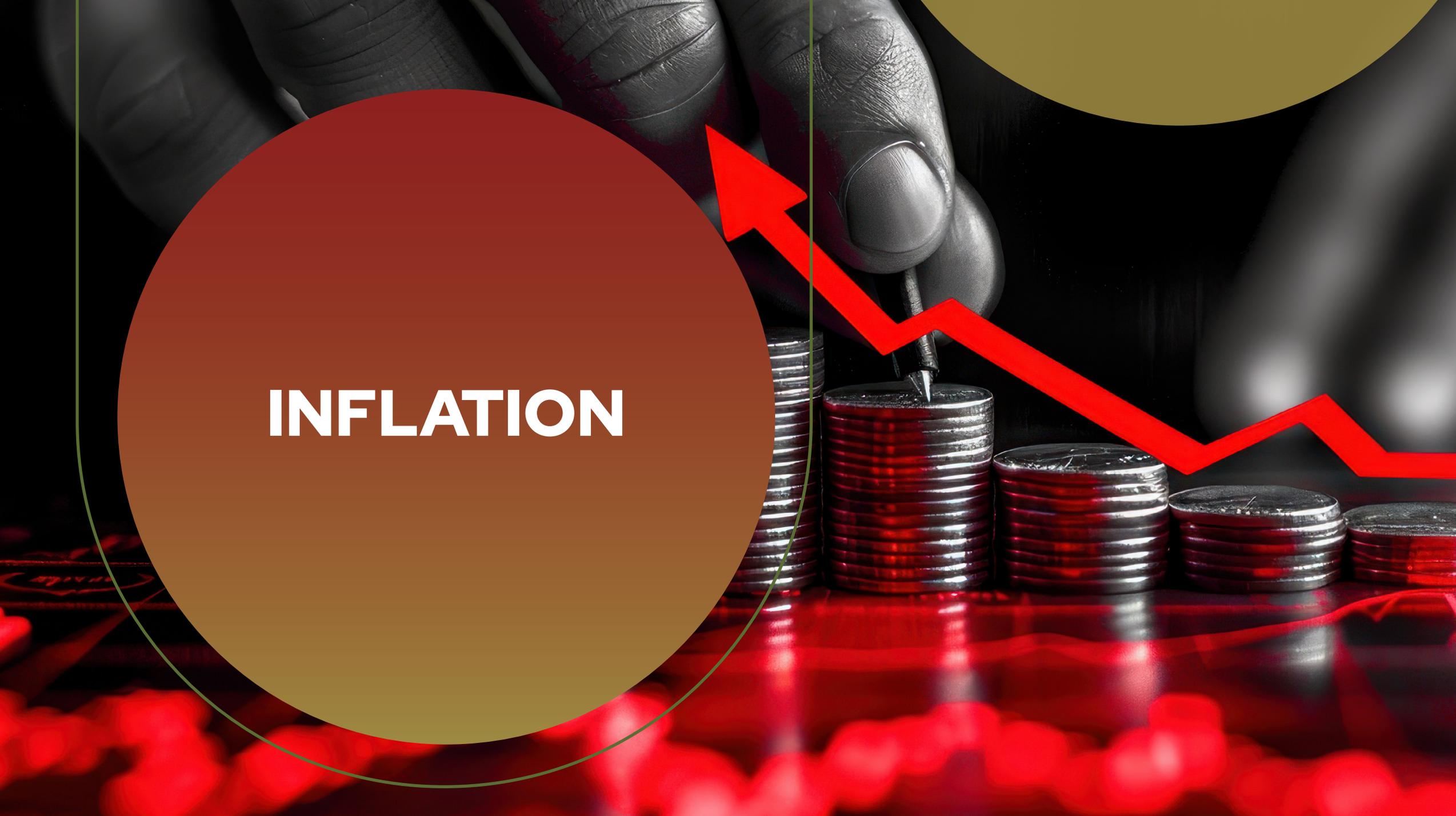


S&P 500 index fell attributed to AI-driven disruptions, but has since recovered somewhat above its level at the previous MPC sitting.



In South Africa, stock markets strong due to robust performance in the mining and financial sectors.



A conceptual image for inflation. A hand in a dark suit jacket holds a silver pen, poised to write on a stack of silver coins. To the right, a red line graph shows a fluctuating upward trend. The background is dark with a red bokeh effect at the bottom. A large, semi-transparent red circle is on the left, containing the word 'INFLATION'.

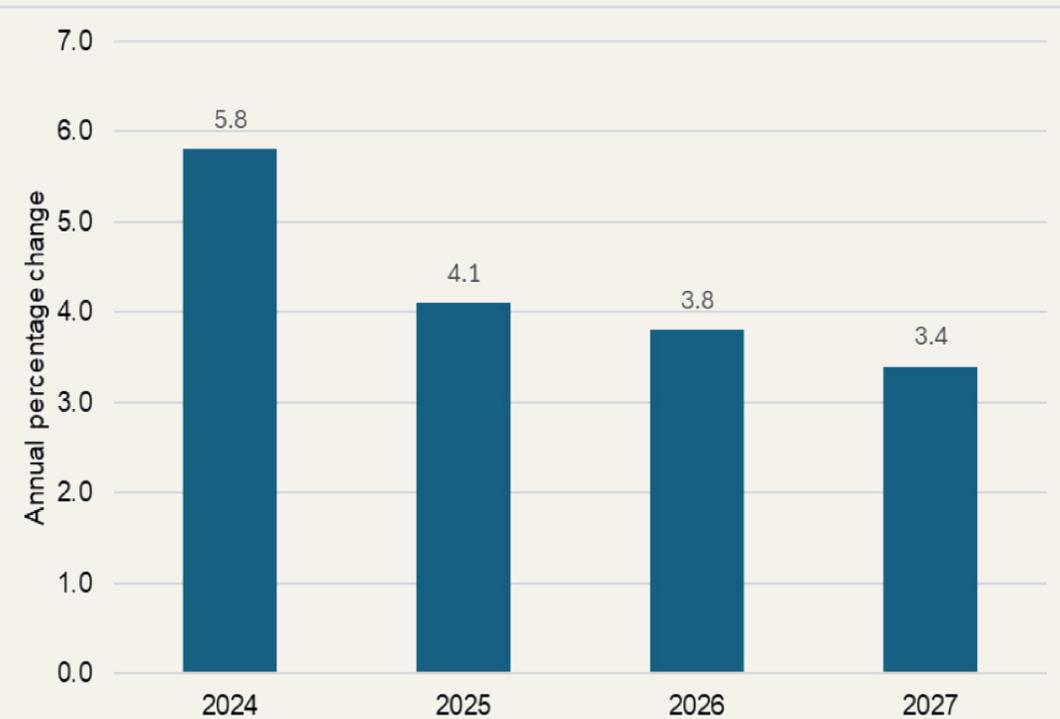
**INFLATION**

# Global inflation developments



Global headline inflation is estimated to have declined in 2025 compared to 2024, and is projected to decrease further in 2026 and 2027.

The decline was driven by lower energy & food prices.



Source: IMF



# MONETARY POLICY

# Since the last MPC meeting, monetary policy stances in AEs & EMDEs were mixed.



Country/Central Bank	Change in % points since the last MPC	Current Policy Rate
US/FED	-0.25	3.50% – 3.75%
UK/BoE	-0.25	3.75%
EA/ECB	0.00	2.15
Japan/BoJ	+0.25	0.75
Brazil/BoB	0.00	15.00
India/RBI	-0.25	5.25
Russia/BoR	-1.00	15.50
China/PBoC	0.00	3.00
SA/SARB	0.00	6.75

- ✔ Monetary policy stances have varied in monitored central banks.
- ✔ US Federal Reserve, the Bank of England, the Bank of Russia, and the Bank of India lowered their policy rates.
- ✔ Several other central banks, including SARB, have held rates steady.
- ✔ The Bank of Japan, however, increased its policy rate during the same period.



03

# Domestic Economic Developments and Outlook

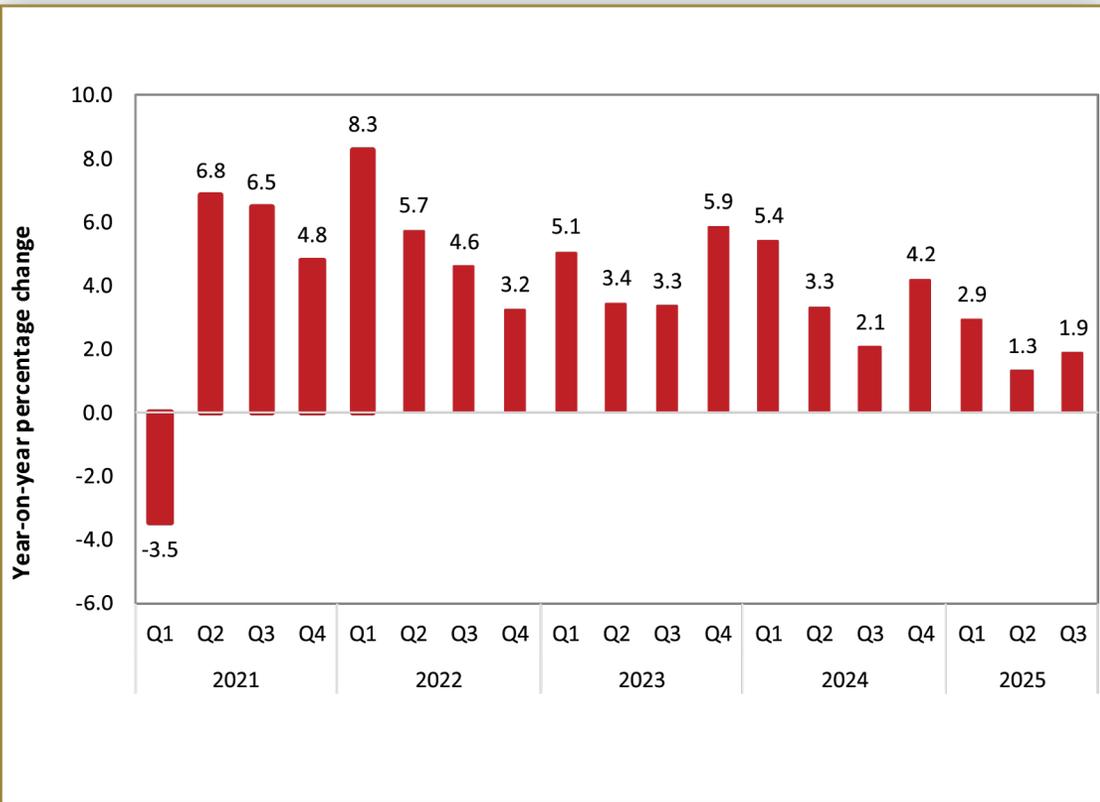


# GDP GROWTH DEVELOPMENTS AND OUTLOOK

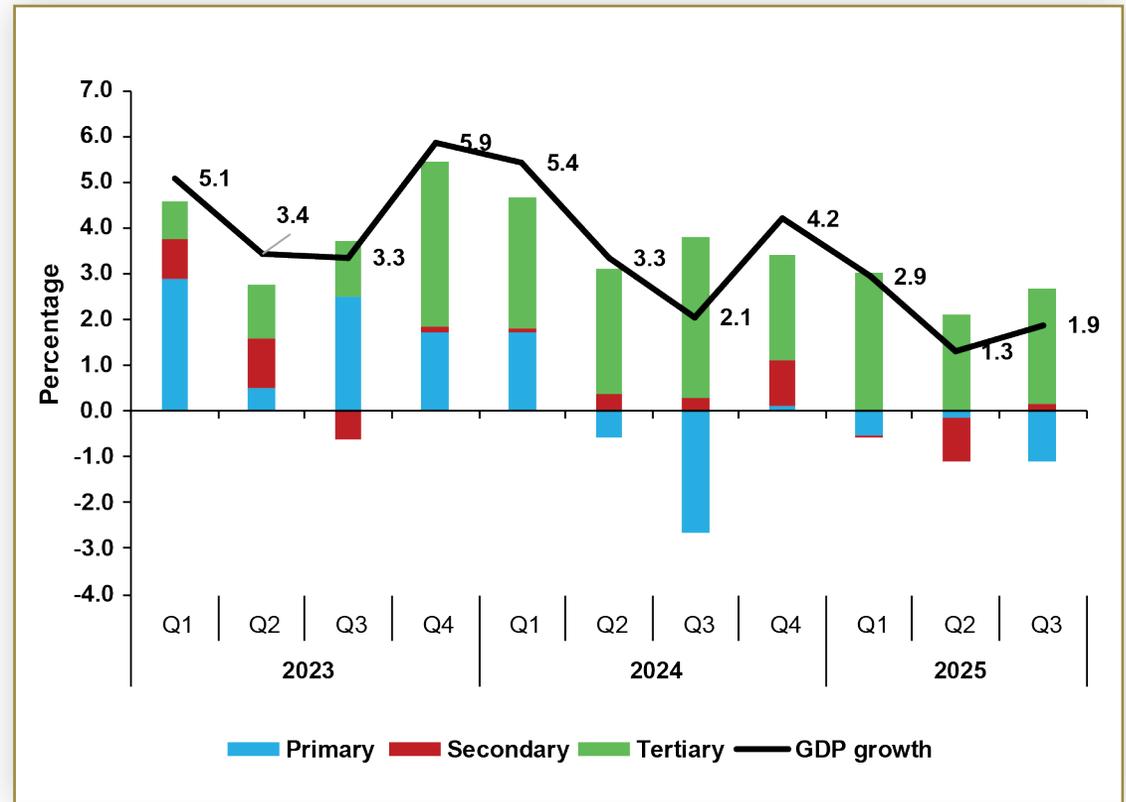


Domestic economic activity slowed during the first three quarters of 2025, largely reflecting contractions in the agriculture, fishing, mining and manufacturing sectors.

### Quarterly Real GDP



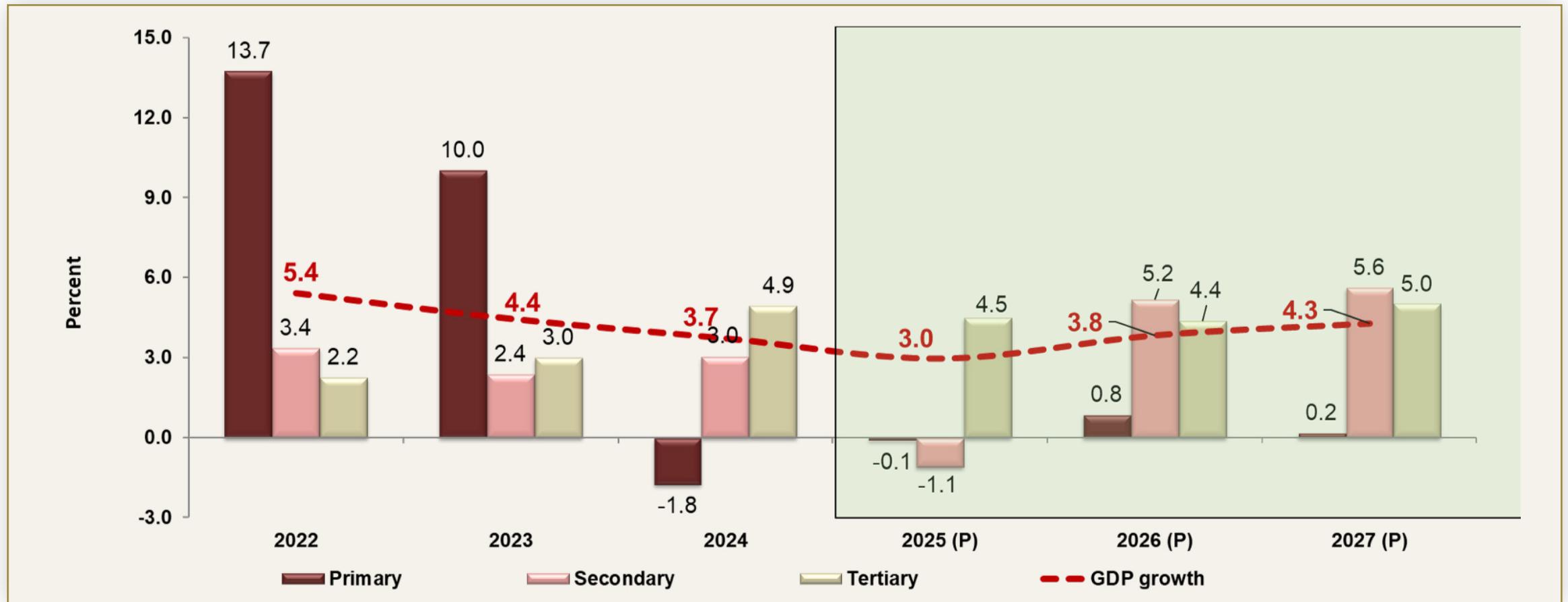
### Contribution to Quarterly GDP



# Real Sector Projections



Though the GDP growth number for 2025 and 2026 show 3 percent and 3.8 percent respectively, they are under revision and likely to be low.





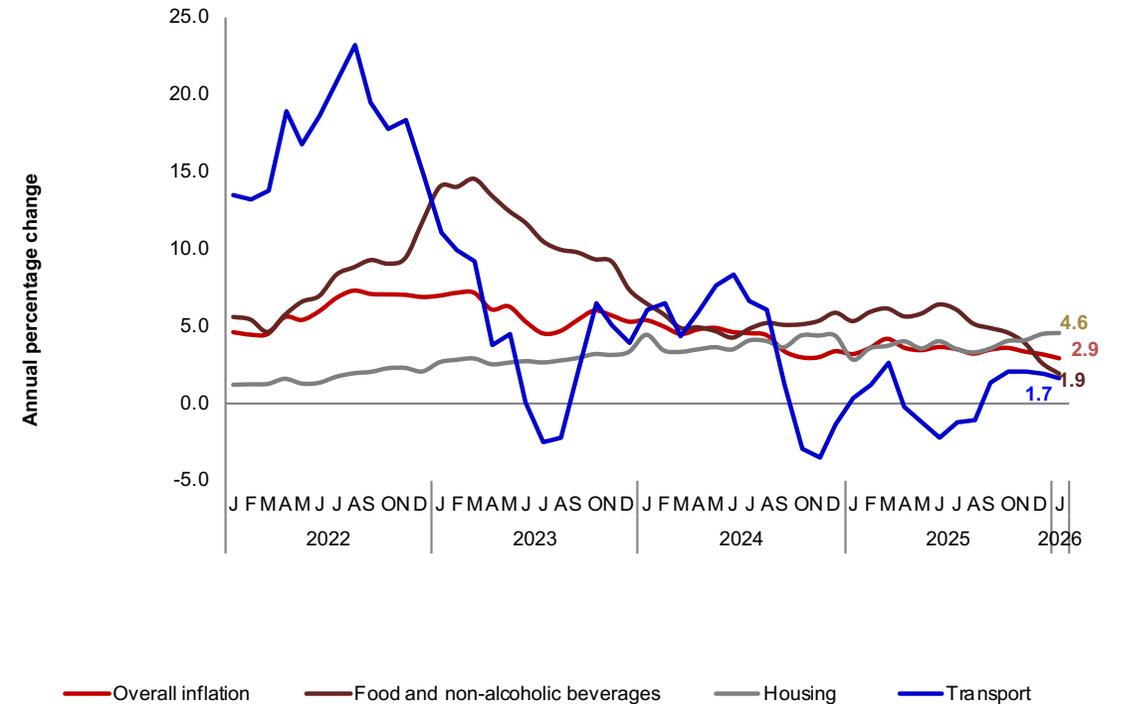
**INFLATION  
DEVELOPMENTS  
AND  
OUTLOOK**

# Domestic Inflation

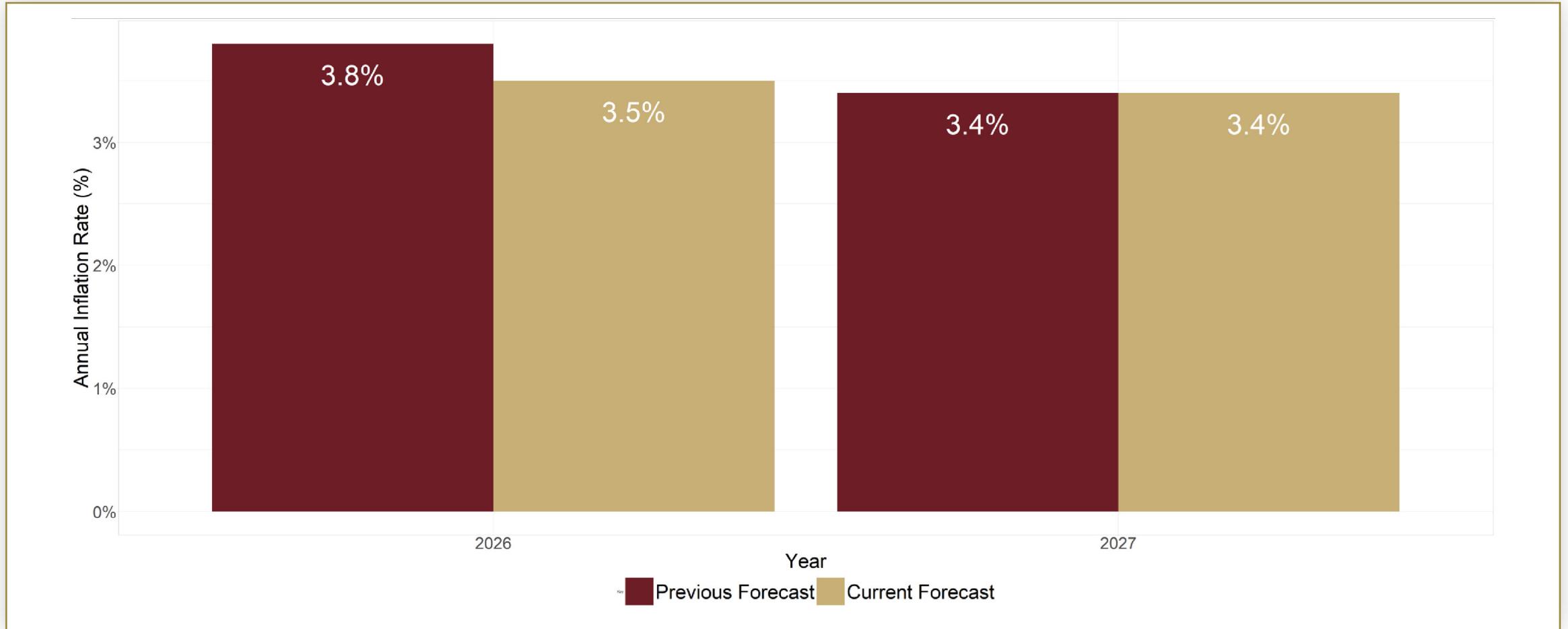


Annual headline inflation remains well contained at 3.5 percent, reflecting disinflationary pressures in transport and housing.

Most recently, inflation declined to 2.9 percent in January 2026, aided primarily by a notable slowdown in food inflation.



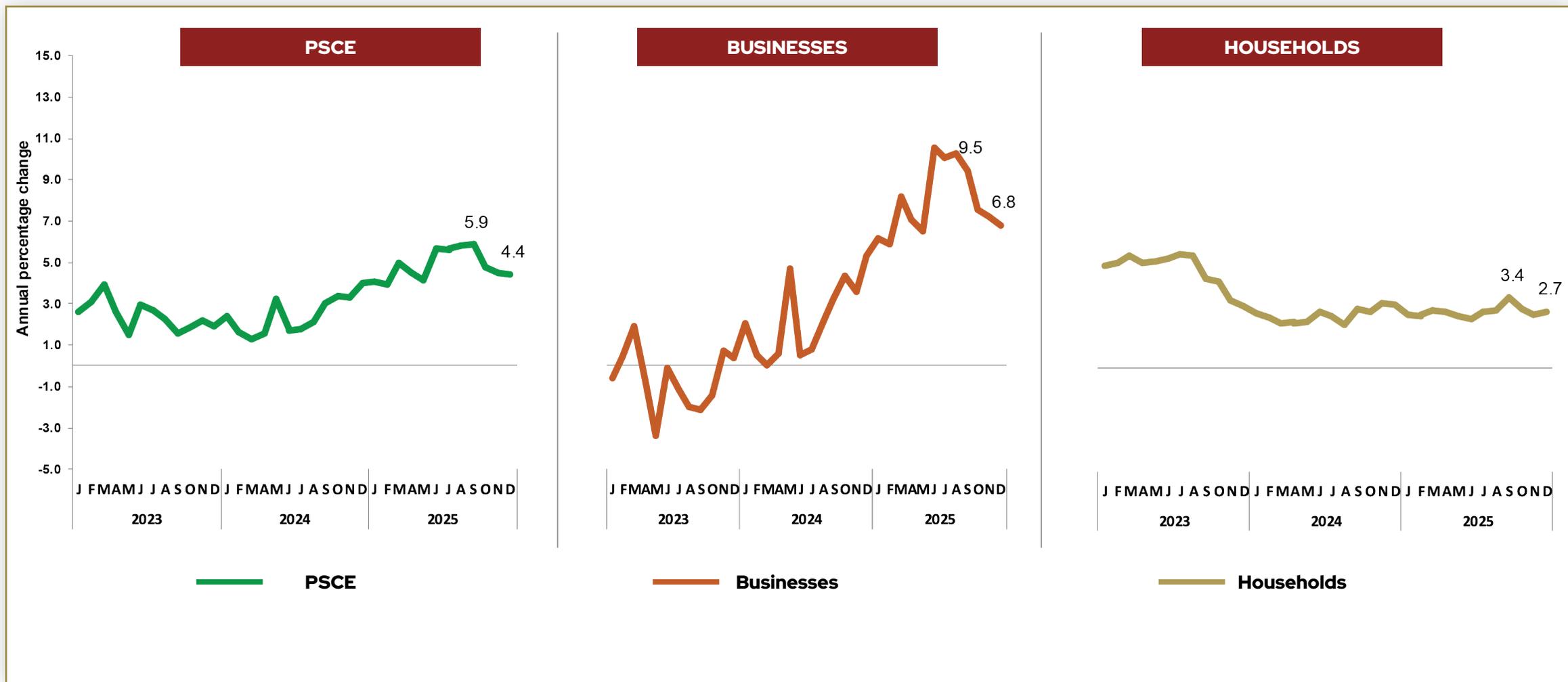
Inflation is projected to remain steady at 3.5 percent in 2026 before moderating to 3.4 percent in 2027, due to anticipated lower oil and food prices along with a stronger currency.



# MONETARY DEVELOPMENTS



# Annual growth in PSCE remains subdued, reflecting reduced credit uptake by both businesses and households.





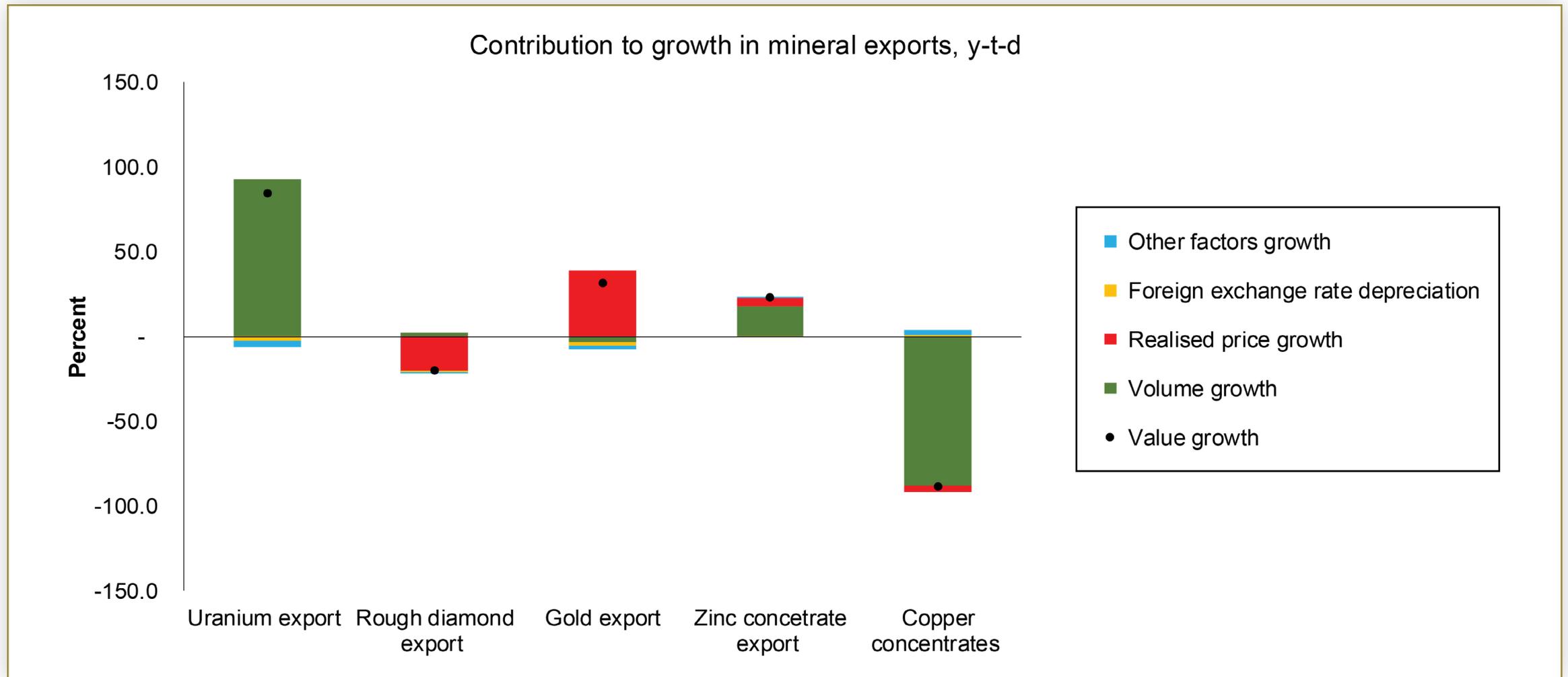
**EXTERNAL  
SECTOR  
DEVELOPMENTS**

# Merchandise trade deficit narrowed by 35.4 percent to N\$25.0 billion in 2025, reflecting robust export earnings from uranium and gold.

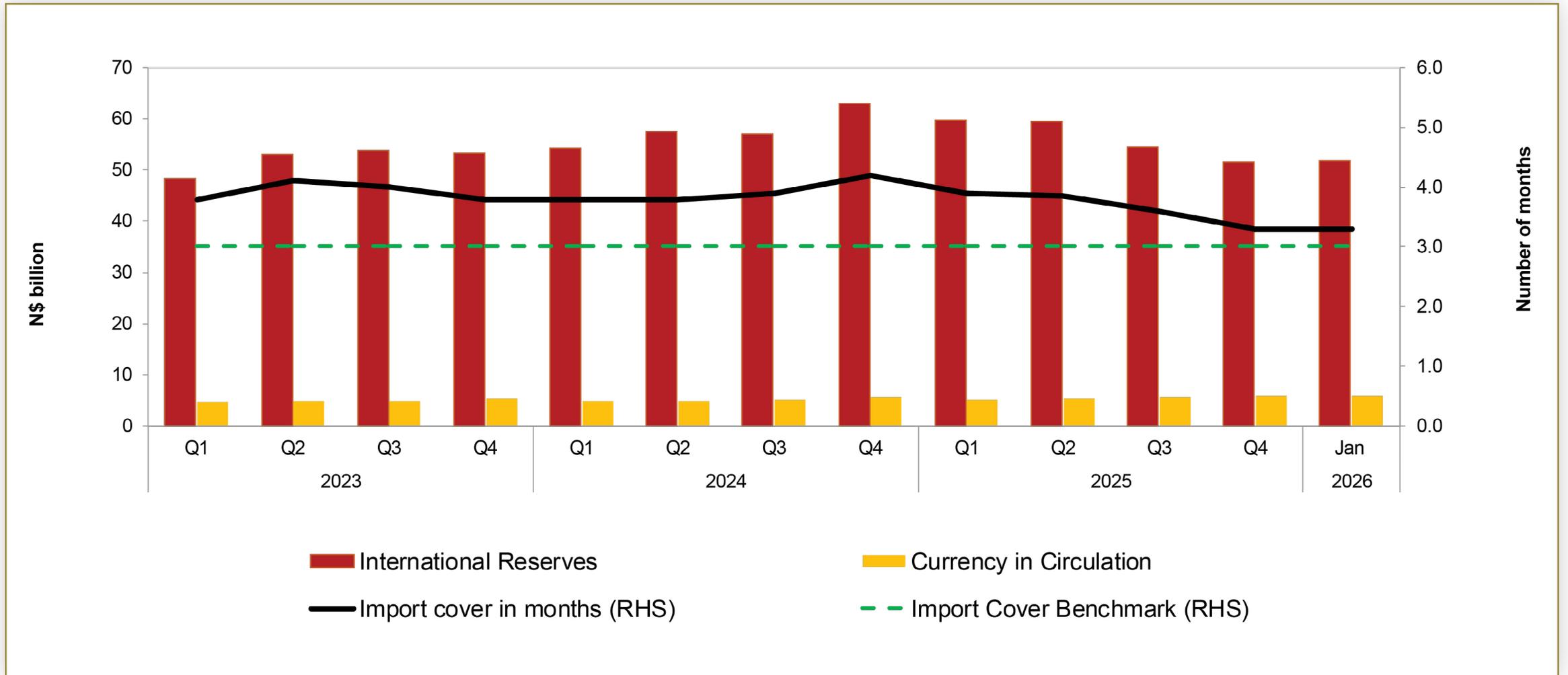


N\$ Millions	2024	2025	Growth(%)
<b>Merchandise trade balance</b>	<b>-38,691</b>	<b>-24,976</b>	<b>-35.4</b>
<b>Exports fob</b>	<b>85,291</b>	<b>101,242</b>	<b>18.7</b>
Diamonds	12,741	10,129	-20.5
Uranium	14,499	28,165	94.3
Gold	14,603	20,164	38.1
Other mineral products	4,837	4,420	-8.6
Food and live animals	4,636	3,681	-20.6
Manufactured products	25,044	26,392	5.4
of which is fish	13,783	14,948	8.5
Other commodities (Mainly electricity)	2,977	3,264	9.7
Re-exports	5,956	5,095	-14.4
<b>Imports fob</b>	<b>123,982</b>	<b>126,218</b>	<b>1.8</b>
Consumer goods	37,324	37,253	-0.2
Mineral fuels	24,377	22,060	-9.5
Vehicles, Aircraft, Vessels	13,121	14,873	13.4
Machinery and Mechanical Appliances	22,259	23,491	5.5
Base Metals and Articles of Base Metal	7,777	7,479	-3.8
Products of the Chemical Industries	11,494	12,364	7.6
Other imports (Mainly electricity)	7,630	8,697	14.0

# Namibia's external position benefited from higher export volumes of uranium and strong commodity prices in terms of gold.



The stock of foreign reserves stood at N\$ 51.9 billion in January 2026 (3.3 months of imports) and remains adequate to sustain the currency peg and meet the country's international financial obligations





## Conclusion

- Domestic economic activity slowed in 2025, particularly in the agriculture, fishing, mining, and manufacturing sectors, which contracted in the first three quarters of 2025. Consequently, the growth outlook for 2025 is now expected to be lower than previously projected.
- Inflation is forecast to remain steady at 3.5 percent in 2026 before moderating to 3.4 percent in 2027, reflecting lower oil and food prices alongside a stronger domestic currency. However, exchange rate volatility and geopolitical tensions could push inflation above projections.
- Private sector credit remained subdued, growing at 4.4 percent in December 2025, driven by the lower credit uptake by businesses, mainly reflected in mortgage and other loans and advances.
- Improved uranium and gold exports narrowed the trade deficit in 2025, while net ZAR inflows by commercial banks for portfolio investment contributed to the rise in foreign reserves at the end of December 2025, which remains adequate to sustain the currency peg and meet the country's international financial obligations.
- The global growth outlook faces significant risks, driven by trade policy uncertainty, fragile demand, and persistent geopolitical tensions.

# Thank You!



**Bank of Namibia**