

Date: 04 June 2025

Attention: News Editor

Ref: 9/6/2

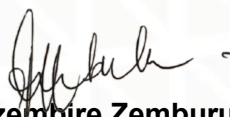
FOR IMMEDIATE RELEASE

BANK OF NAMIBIA DEEPENS STRATEGIC DIALOGUE WITH DIPLOMATIC COMMUNITY

1. The Bank of Namibia yesterday hosted its annual diplomatic stakeholder engagement, a key platform for fostering dialogue with heads of mission, multilateral institutions, and development partners. The engagement was convened against the backdrop of increasing global uncertainty and complex economic shifts, with the Governor of the Bank of Namibia, Mr. Johannes !Gawaxab, delivering the keynote address.
2. In his remarks, Governor Gawaxab welcomed the diplomatic community and expressed gratitude for their continued interest in the Bank's work. He highlighted the emergence of a new world order defined by evolving geopolitical developments, intensified trade tensions, and rapid technological advancement. These global dynamics, he noted, are challenging traditional frameworks around globalisation, multilateralism, and market openness, calling for enhanced institutional agility and strategic foresight.
3. The Governor remarked, "Although it is impossible to predict the future with certainty, the combined speed of these changes underscores the necessity for institutions, such as central banks, to continue to serve as guardians of stability in an environment characterised by volatility. As a central bank, we remain anchored to our mandate of price stability and financial stability."
4. A comprehensive economic presentation outlined the global and domestic economic landscape. The global economy is projected to grow at a subdued pace of 2.8 percent in 2025 and 3.0 percent in 2026, amid continued volatility in trade and financial markets. On the domestic front, Namibia's economic growth is expected to improve moderately to 3.8 percent in 2025, rising slightly to 4.0 percent in 2026. This improved growth is being driven by improved performance in the agriculture, non-diamond mining sector, electricity and water as well as construction, despite external pressures such as global price declines in diamonds and the potential impact of tariffs on some exports.

5. The Governor noted that inflation in Namibia remains well-contained, supported by the Bank's prudent monetary policy stance. "The policy interest rate has been reduced by a cumulative 100 basis points since August 2024, contributing to a marked decline in inflation from 5.4 percent in January 2024 to 3.6 percent in April 2025". In regards to financial stability, he noted that the banking sector continued to demonstrate resilience, with sufficient capital buffers and liquidity to absorb shocks and support credit extension to the real economy.
6. Reflecting on the Bank's strategic direction, Governor !Gawaxab reiterated the institution's commitment to building a smart central bank, fostering an inclusive and resilient financial system and embracing a new economy. He highlighted key reform initiatives, including the establishment of Namibia's first Central Securities Depository to modernise financial markets, and the launch of the Instant Payment Programme, a transformative effort to deliver fast, affordable, and secure payments to all Namibians, particularly the underserved.
7. The meeting also provided an opportunity to deliberate on broader macro-economic issues of mutual concern. Attendees engaged in discussions on rising global political uncertainty and its implications for capital flows and investment decisions in emerging markets. The declining inflationary pressures in the country are evident in the last inflation print relative to cost-of-living challenges. Furthermore, the engagement addressed the operationalisation of Namibia's Sovereign Wealth Fund as a strategic instrument for long-term fiscal sustainability and intergenerational equity. Other issues included domestic revenue mobilisation through sustainability/ social bonds.
8. In closing, Governor !Gawaxab emphasised the value of ongoing engagement with the diplomatic corps, noting that the current environment requires resilient institutions and strong partnerships.

Issued by:



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