



Bank of Namibia

# Monetary Policy

Announcement

Wednesday, 29 April 2026

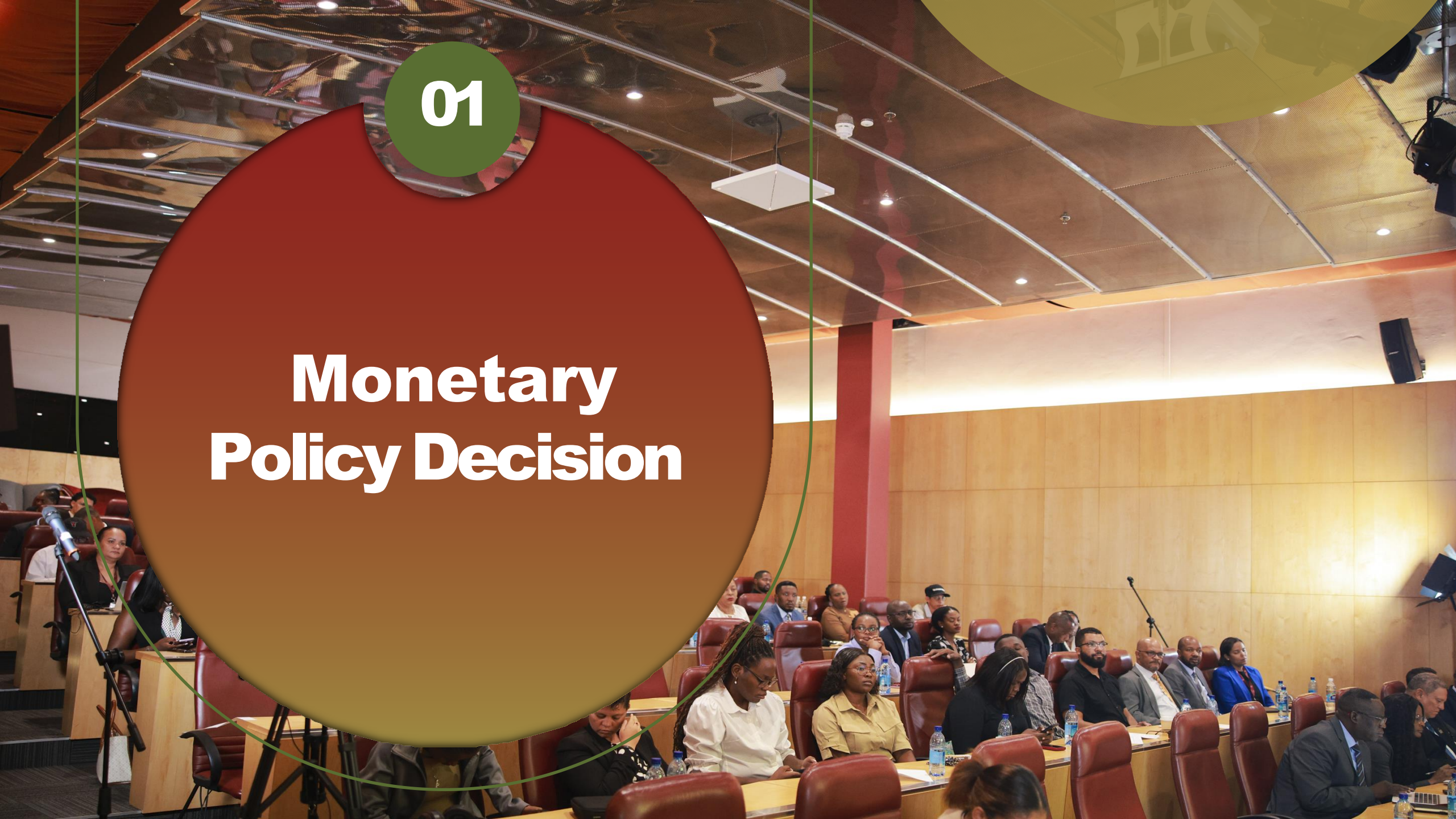
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Ebson Uanguta  
Governor



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 27<sup>th</sup> and 28<sup>th</sup> of April 2026 to decide on the appropriate monetary policy stance for the next two months.
- ✓ The MPC unanimously decided to keep the Repo rate unchanged at 6.50 percent to continue safeguarding the peg between the Namibia Dollar and the South African Rand.
- ✓ The decision was guided by a comprehensive assessment of the latest economic indicators.

02

# Global Economic Developments and Outlook



# Snapshot of global economic developments

- ✔ Global economic uncertainty remained elevated since the previous MPC meeting.
- ✔ Energy prices increased sharply, and global growth prospects for 2026 were marked down.
- ✔ Global headline inflation was revised upward.
- ✔ Key global stock markets stabilised most recently.
- ✔ Monitored central banks adopted a wait-and-see approach to monetary policy setting.

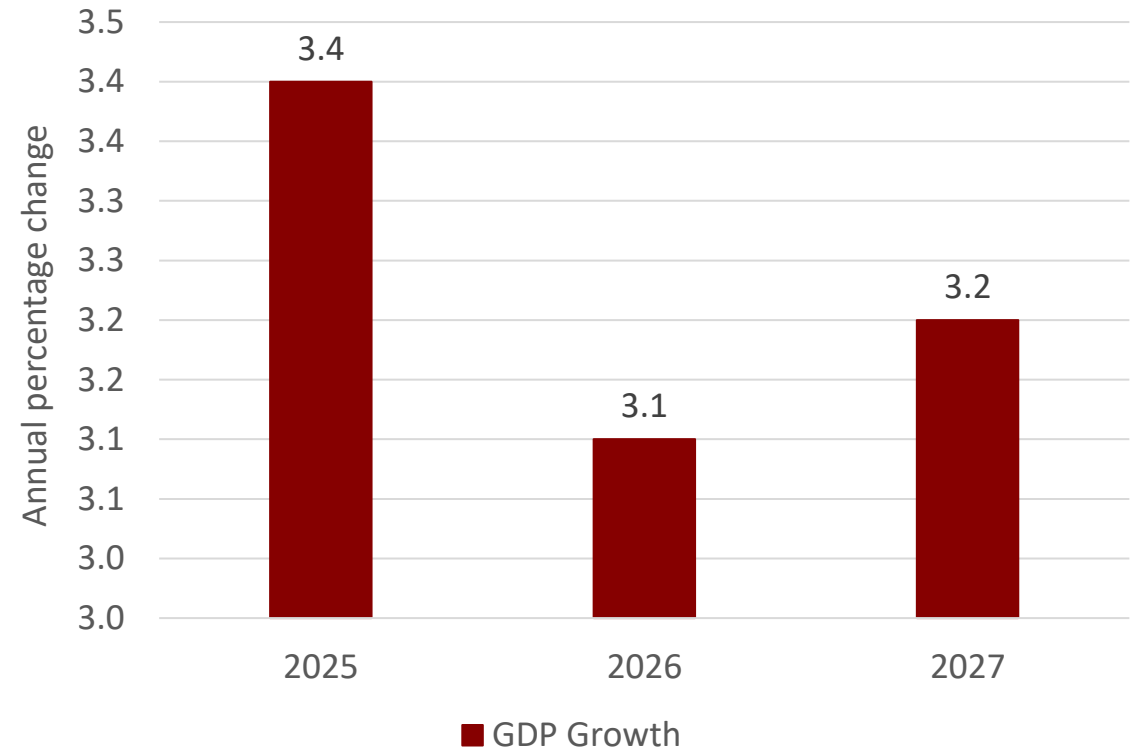




International Monetary Fund (IMF), in its April 2026 WEO, revised the 2026 global GDP growth forecast downward to 3.1 percent, from a previous forecast of 3.3 percent.

## Downside risks remain elevated and include:

- ✓ Prolonged geopolitical tensions.
- ✓ Energy price pressures.
- ✓ Growing fiscal vulnerabilities.



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 bold, white, uppercase letters. The background shows more gold bars and a blurred golden bokeh effect, suggesting a vast quantity of the commodity.

# COMMODITIES

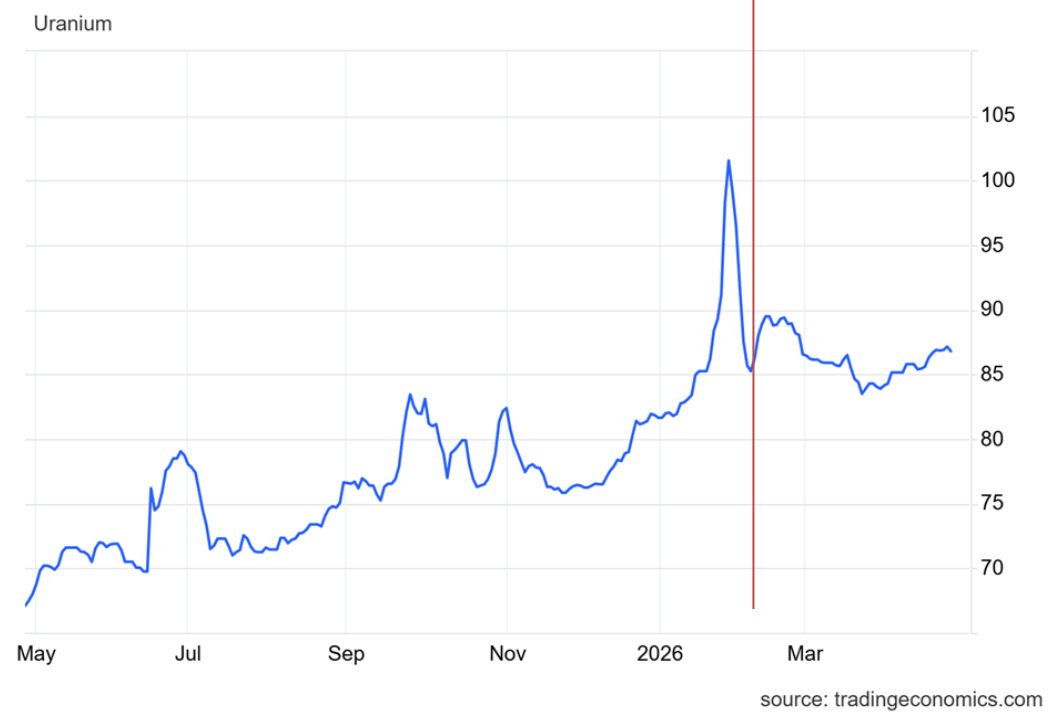
# Trends in key commodity markets have been mixed since the February 2026 MPC meeting.



Gold prices receded owing to reduced safe-haven demand.



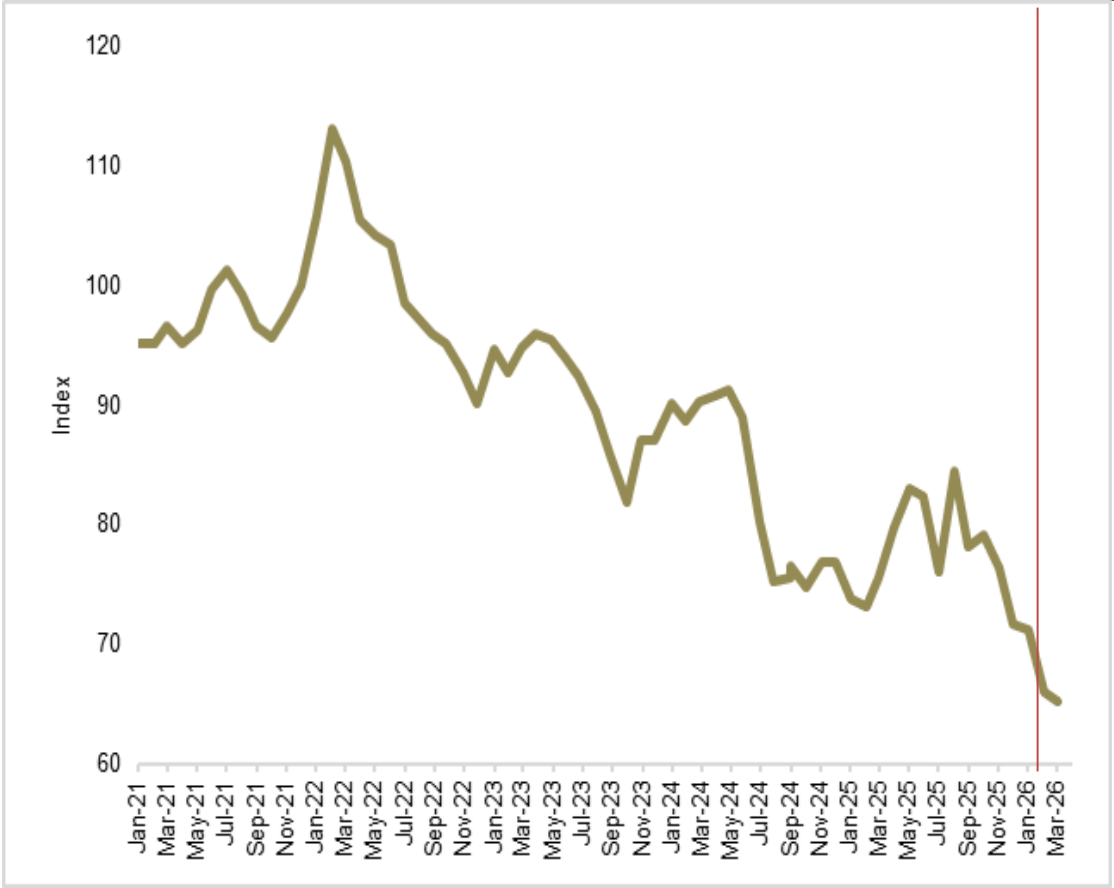
The spot price of uranium edged lower but remains firm, largely due to robust global demand for carbon-neutral baseload electricity supply.



# Trends in key commodity markets have been mixed since the February 2026 MPC meeting.



Moreover, diamond prices remain subdued, owing particularly to competition from lab-grown diamonds and high inventory levels.



Conversely, the price of zinc increased during the period under review as supply concerns persisted.



source: tradingeconomics.com

# Crude oil prices initially soared and peaked at approximately US\$118 per barrel in late March 2026.



Brent Crude Oil



source: tradingeconomics.com

- Oil prices remain significantly higher, attributed to oil-supply disruptions & the closure of the Strait of Hormuz.
- Creating inflationary pressures for oil-importing economies like Namibia.



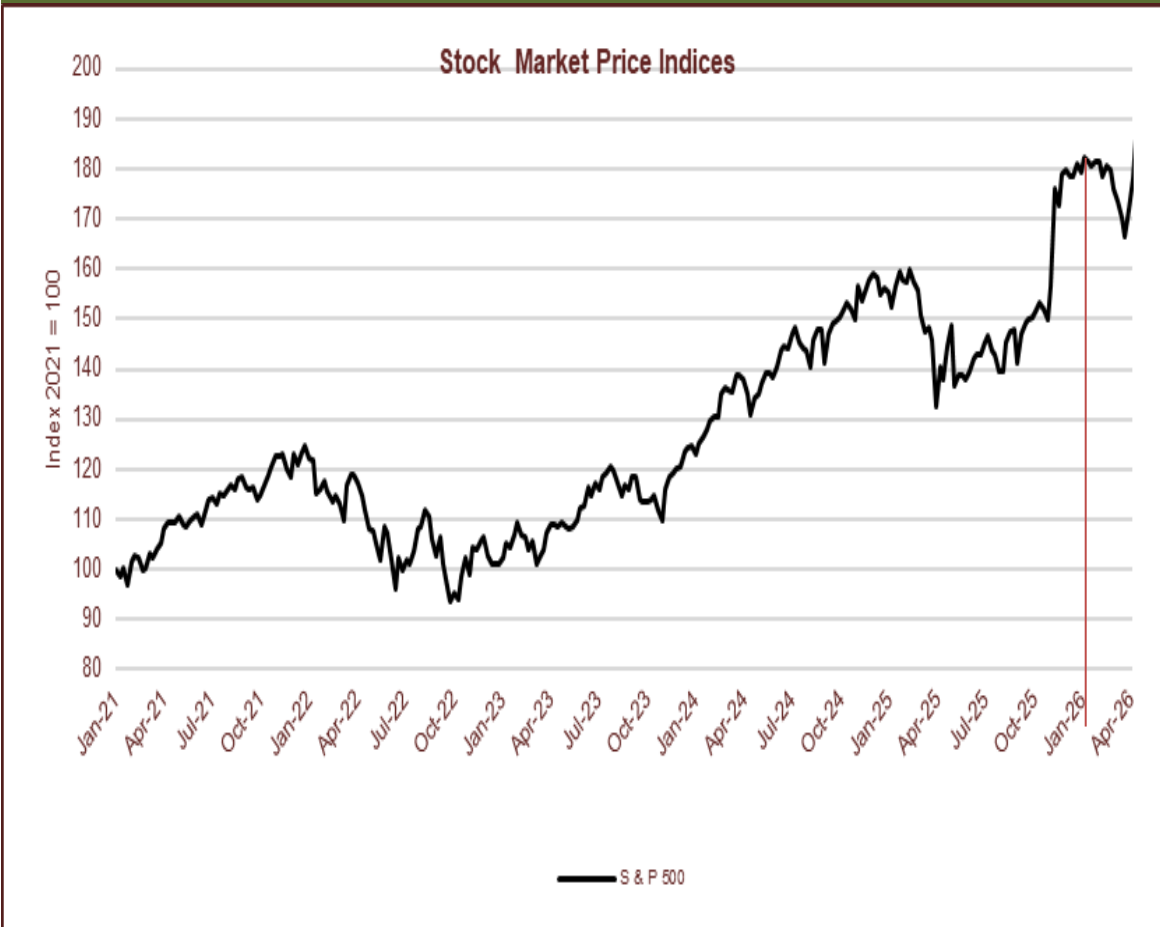
# **STOCK MARKETS**



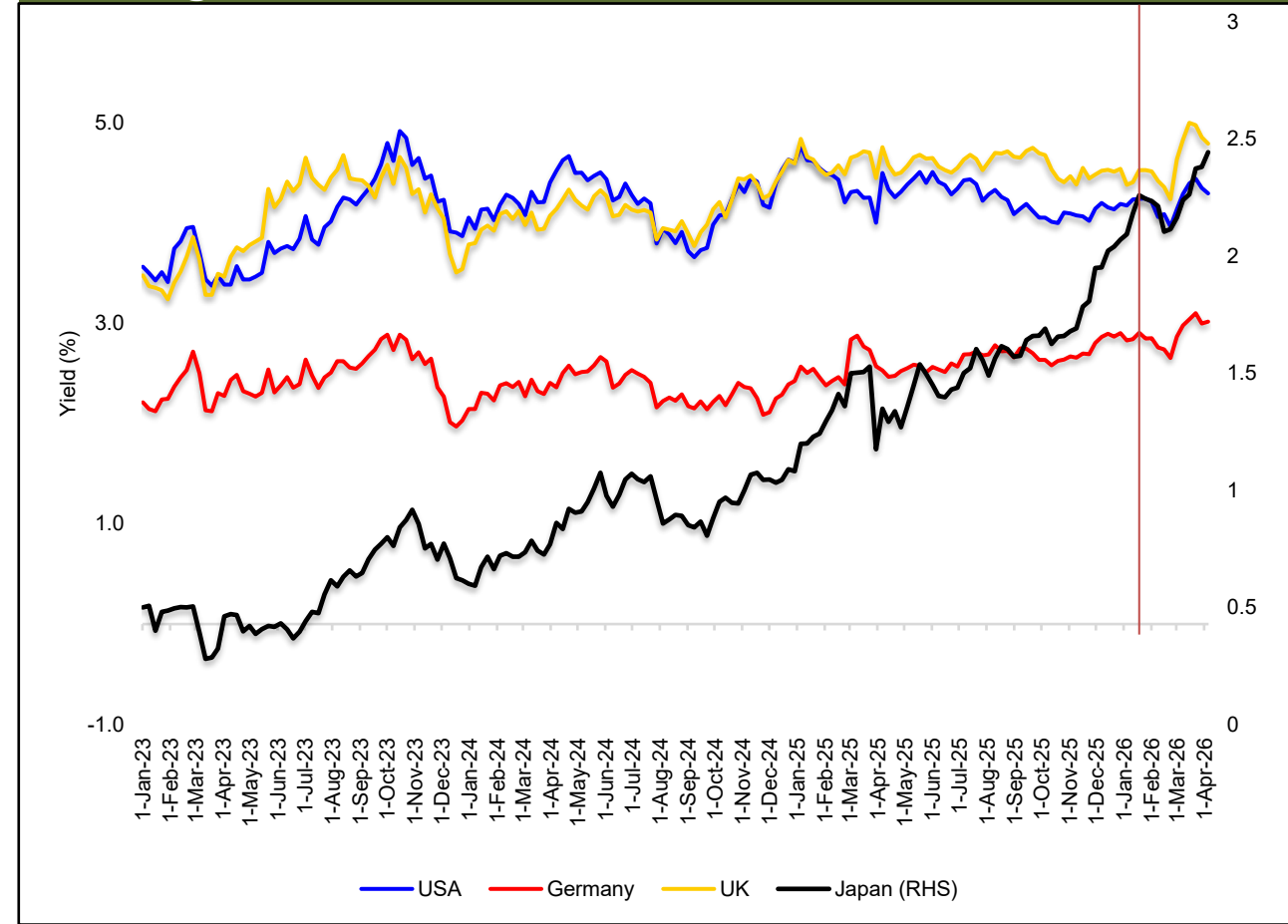
# Key global stock markets stabilised most recently.



The S&P 500 recorded losses up to late March 2026 but has since recovered.



Bond yields have risen, primarily attributed to concerns about high inflation risk.



A hand in a black glove holds a pen over several stacks of silver coins. A red line graph is overlaid on the scene, showing 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 side of the image.

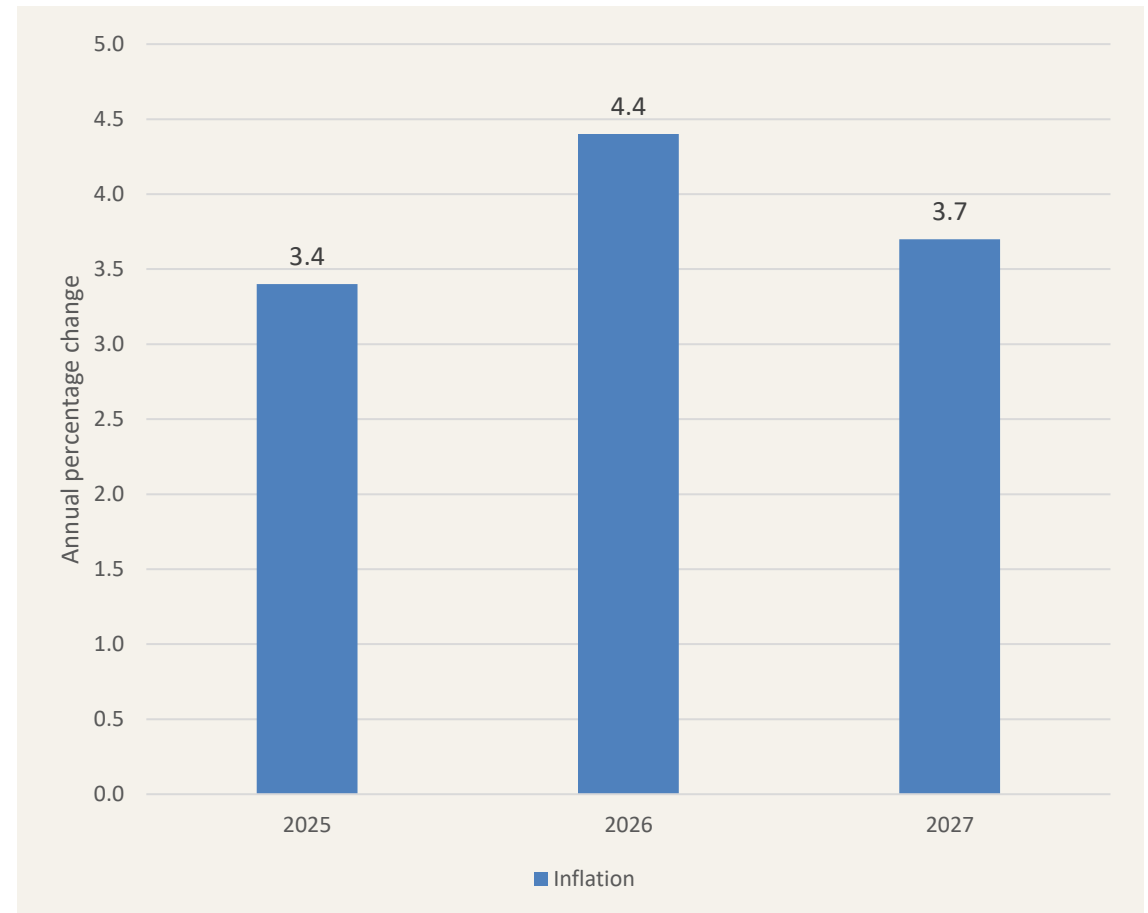
# **GLOBAL INFLATION**

# The disinflationary trend seen since 2023 has been disrupted by inflationary pressures from the energy price shock and supply disruptions.



**Inflation outlook was revised upward to 4.4 percent in 2026 and 3.7 percent in 2027.**

**Compared to the previous MPC meeting, however, inflation remained lower in most monitored economies.**





# MONETARY POLICY

# Key central banks have largely instituted a wait-and-see approach towards monetary policy setting.



Country/Central Bank	Change in %points since the last MPC	Current Policy Rate
US/FED	0.00	3.50% – 3.75%
UK/BoE	0.00	3.75%
EA/ECB	0.00	2.15
Japan/BoJ	0.00	0.75
Brazil/BoB	-0.25	14.75
India/RBI	0.00	5.25
Russia/BoR	-0.50	15.00
China/PBoC	0.00	3.00
SA/SARB	0.00	6.75

- ✓ The exceptions were the central banks of Brazil and Russia, which eased policy rates during the period under review.



03

**Domestic  
Economic  
Developments  
and  
Outlook**





## Real Sector



- **Domestic economic activity** remained subdued, with growth for 2026 revised downward relative to the previous forecast.

## Monetary Sector



- **Credit** to the private sector remained weak.

## Inflation



- **Inflation** was well contained during the first quarter, it is forecast to rise over the remainder of 2026.

# Domestic Economic Developments and Outlook

## External Sector

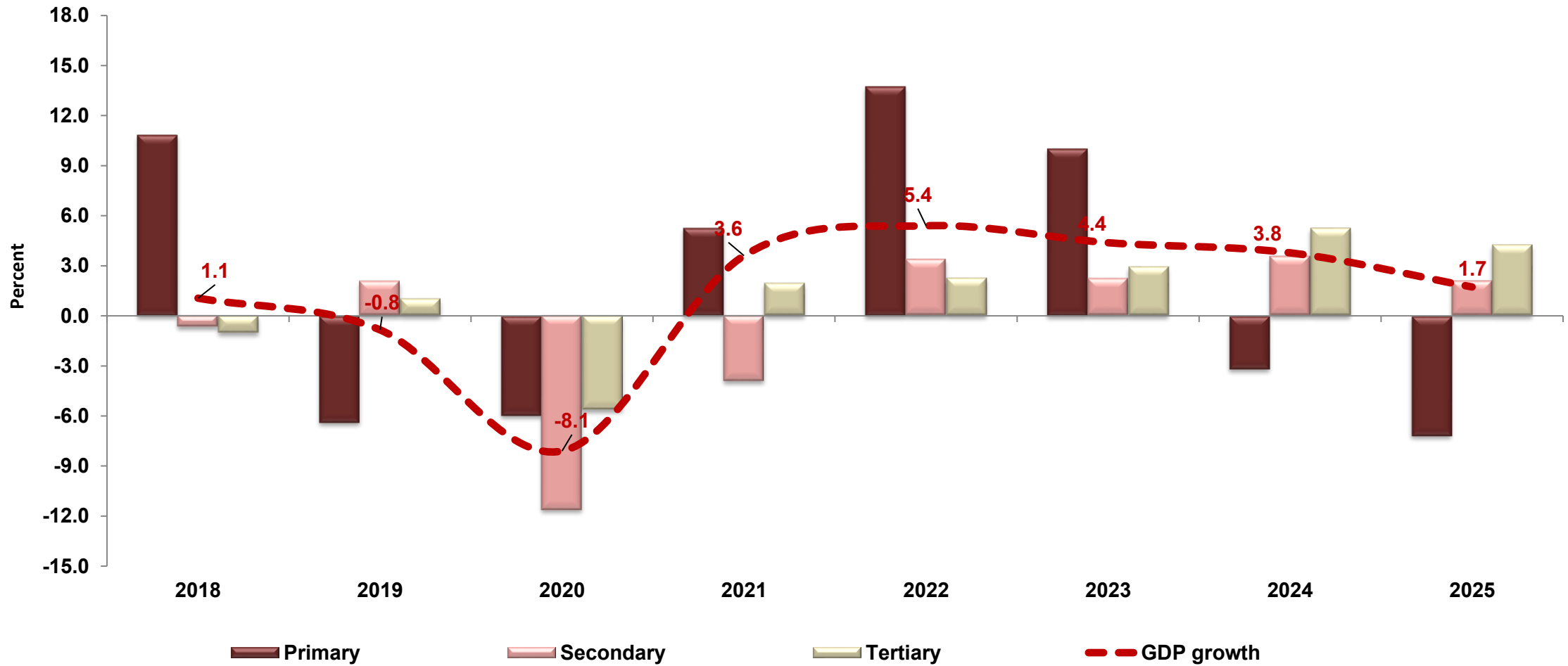


- **Stock of international reserves** continued to remain sufficient to maintain the currency peg and meet the country's international financial obligations.

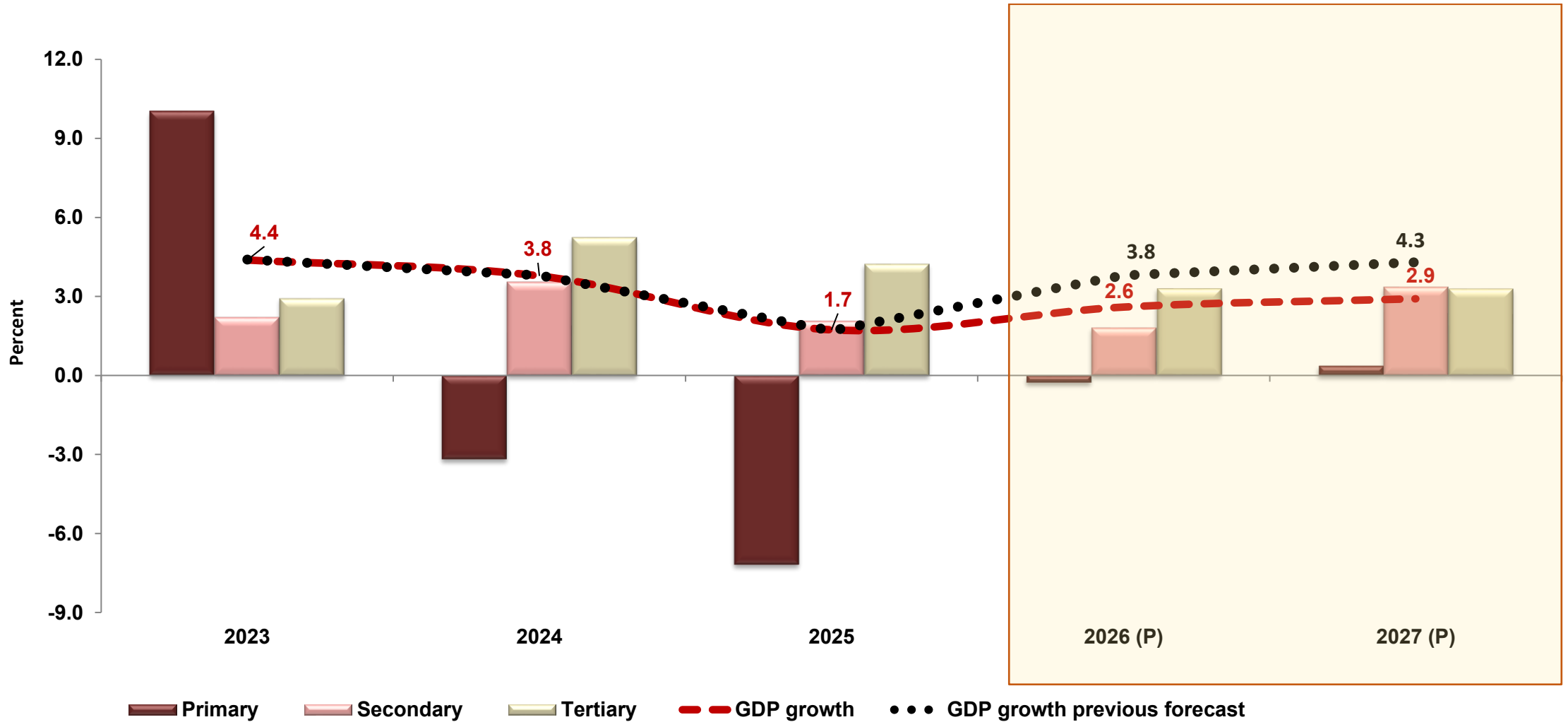
# GDP GROWTH RATE AND OUTLOOK



# Growth in domestic economic activity slowed to a post-pandemic low in 2025.



# Growth is projected at 2.6 percent for 2026 and 2.9 percent for 2027, a downward revision from the December 2025 outlook.



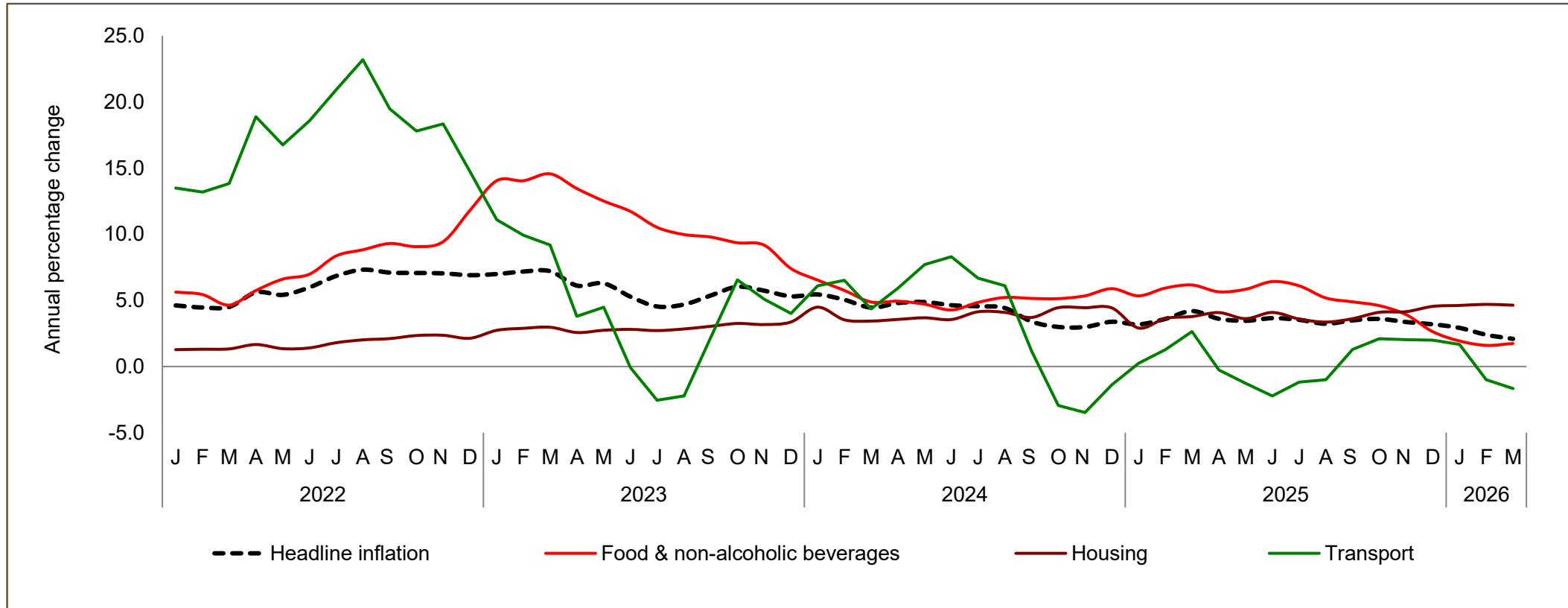
A woman with long dark hair, wearing a light green short-sleeved shirt and grey pants, is standing in a grocery store. She is looking down at a package of produce on a shelf. The background shows shelves stocked with various items, including what appears to be packaged mushrooms or similar produce. The lighting is warm and focused on the woman and the produce she is examining. A large, semi-transparent maroon circle is overlaid on the left side of the image, containing the text.

# **INFLATION RATE AND OUTLOOK**

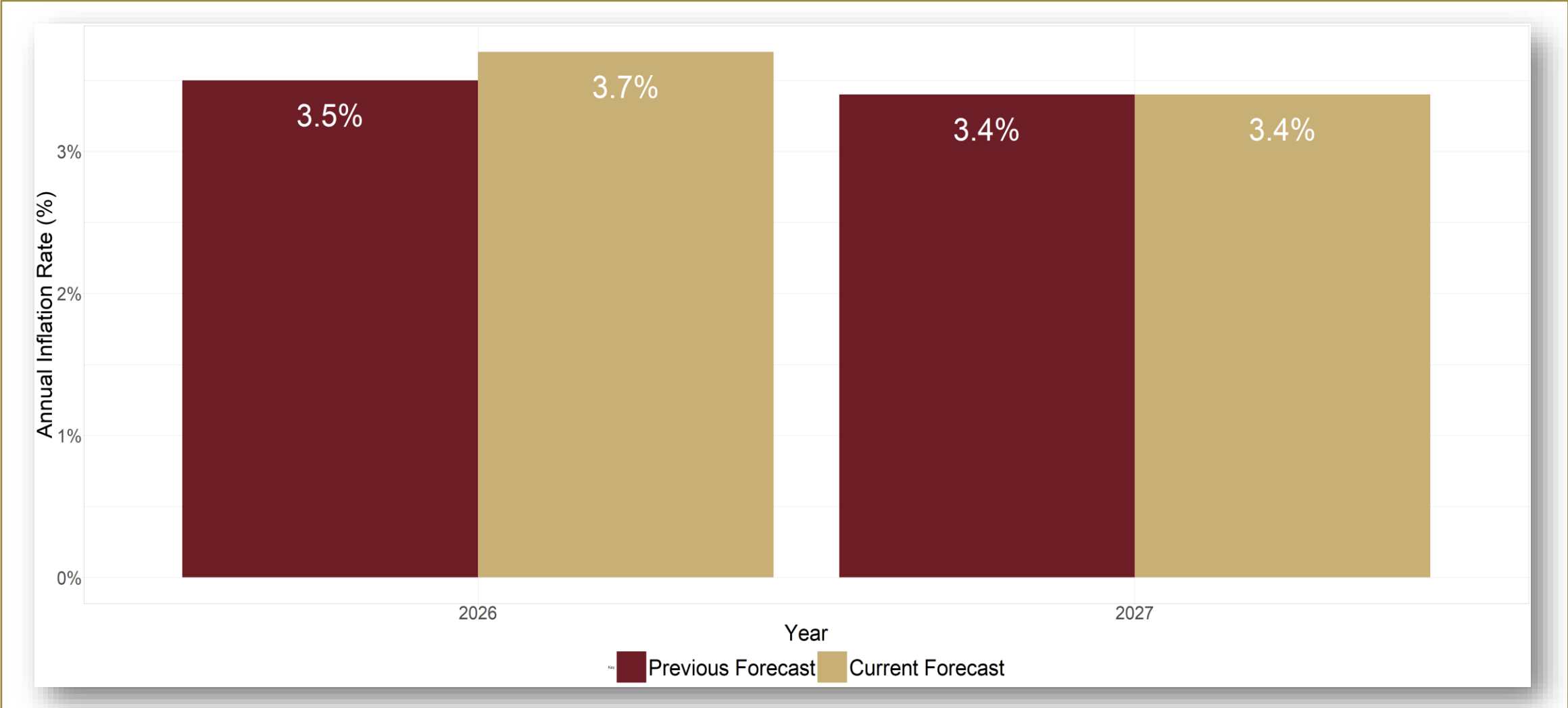
# Domestic Inflation slowed further to 2.1 percent in March 2026.



Inflation averaged 2.5 percent in the first quarter of 2026, compared to 3.7 percent in the corresponding quarter in 2025, reflected in food and transport inflation.



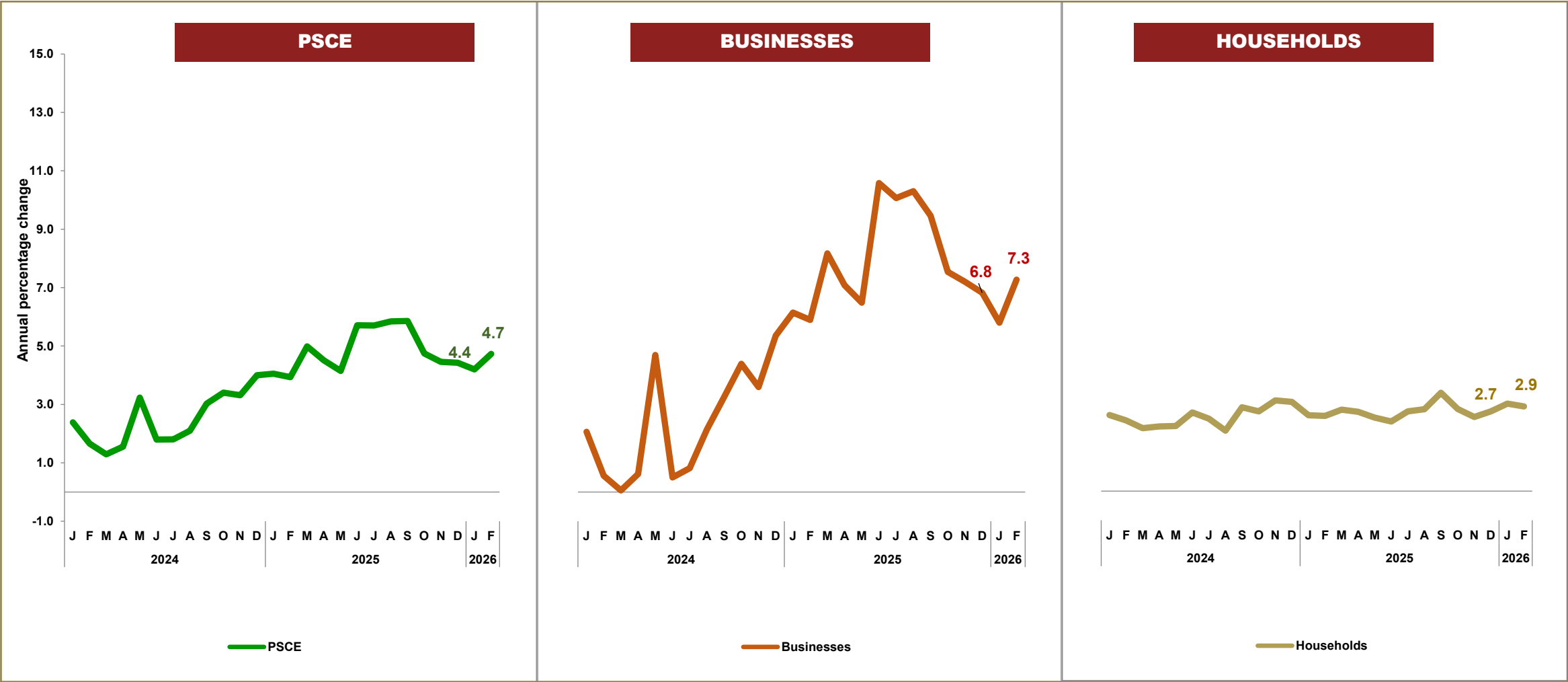
Inflation is expected to rise to 3.7 percent in 2026 and ease to 3.4 percent in 2027, largely reflecting expected increases in oil and food prices alongside a volatile currency.



# MONETARY DEVELOPMENTS



# Growth in PSCE edged higher since the last MPC meeting.





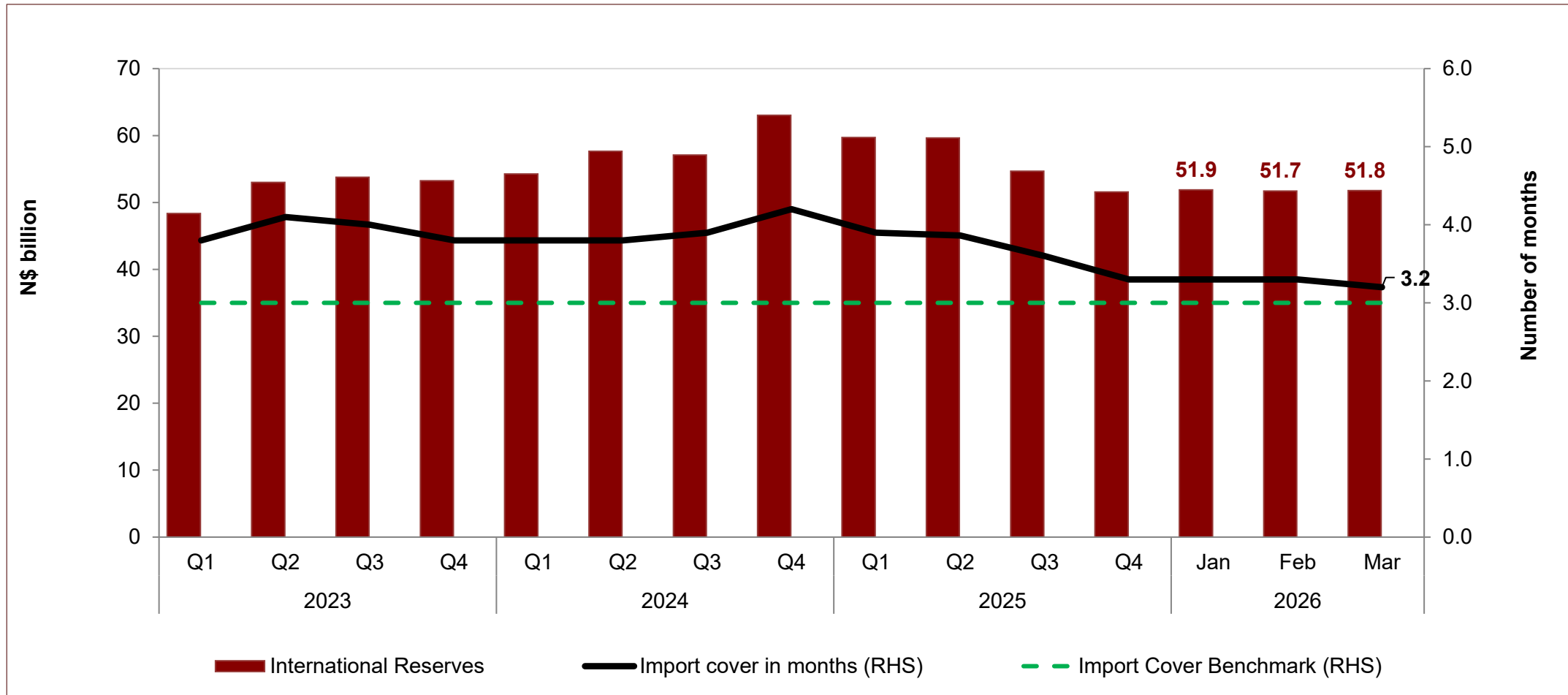
**EXTERNAL  
SECTOR  
DEVELOPMENTS**

# Merchandise trade deficit widened, as imports rose faster than exports.



N\$ Millions		2025 Q1	2026 Q1	Growth(%)
<b>Merchandise trade balance</b>		<b>-8,182</b>	<b>-8,961</b>	<b>9.5</b>
<b>Exports fob</b>		<b>21,640</b>	<b>23,269</b>	<b>7.5</b>
Diamonds		1,661	1,468	<b>-11.6</b>
Uranium		4,346	5,343	<b>22.9</b>
Gold		4,452	5,247	<b>17.8</b>
Other mineral products		1,384	913	<b>-34.0</b>
Food and live animals		694	1,246	<b>81.9</b>
Manufactured products		7,027	7,199	<b>2.4</b>
<i>Of which Processed fish</i>		<i>3,974</i>	<i>4,337</i>	<i>9.1</i>
Other commodities		559	571	<b>2.1</b>
Re-exports		1,516	1,282	<b>-15.4</b>
<b>Imports fob</b>		<b>29,821</b>	<b>32,230</b>	<b>8.1</b>
Consumer goods		8,756	8,174	<b>-6.6</b>
Mineral fuels, oils and products of their distillation		5,556	6,310	<b>13.6</b>
Vehicles, Aircraft, Vessels		3,167	3,487	<b>10.1</b>
Machinery, Mechanical, Electrical Appliances		5,440	6,134	<b>12.8</b>
Products of the Chemical Industries		2,979	3,145	<b>5.6</b>
Base Metals and Articles of Base Metal		1,862	2,138	<b>14.8</b>
Other imports		2,060	2,842	<b>38.0</b>
<i>Of which electricity</i>		<i>2,031</i>	<i>2,507</i>	<i>23.4</i>

# Foreign reserves remained adequate to sustain the currency peg.





## Conclusion

- **The MPC unanimously decided to maintain the Repo rate at 6.50 percent. Commercial banks are accordingly expected to keep their Prime lending rates at 10.00 percent.**
- This policy stance is deemed appropriate for safeguarding the one-to-one link between the Namibia Dollar and the South African Rand.
- **The MPC noted weak domestic economic activity and credit extension, amidst higher inflation forecast for 2026.**
- The Committee further noted the escalation of geopolitical tensions in the Middle East, mindful of uncertainties regarding the duration of the war and the intensity of the spillover effects.
- **The MPC further noted recent policy measures to insulate the domestic economy from the energy-price shock.**
- The next MPC meeting will be held on 15 and 16 June 2026.

# Thank You!



Bank of Namibia