BANK OF NAMIBIA

Minutes of the Monetary Policy Committee (MPC) Meeting

Windhoek, 27 - 28 April 2026

"Our vision is to be a leading central bank committed to a prosperous Namibia."

MPC MEMBERS PRESENT

Ebson Uanguta	Governor (Chairperson)
Leonie Dunn	Deputy Governor
Nicholas Mukasa	Director: Financial Markets Department (FMD)
Helvi Fillipus	Senior Economic Advisor: RFSDD
John Steytler	External MPC Member

SECRETARY

Doughlas Ndana	Senior Economist: RFSDD

APOLOGIES

None.

OTHERS PRESENT

Israel Zemburuka (Director: Strategic Communications and International Relations (SCIRD)); Postrick Mushendami (Deputy Director: RFSDD); Sanette Schulze Struchtrup (Deputy Director: RFSDD); Abigail Nainda (Deputy Director: RFSDD); Naufiku Hamunime (Deputy Director: SCIRD); Mukela Mabakeng (Technical Expert: RFSDD); Gerson Kadhikwa (Technical Expert: RFSDD); Rehabeam Shilimela

(Technical Expert: RFSDD); Grace Hamauka (Principal Economist: RFSDD); Elifas Iiyambula (Principal Economist: RFSDD); Gracianu Kavaleka (Senior Economist: RFSDD); Helena Nghipunya (Economist: RFSDD).

PARTIAL ATTENDANCE

Emma Haiyambo (Director: RFSDD[1]); Anthea Angermund (Deputy Director: FMD; Kennedy Stephanus (Senior Economist: RFSDD); Daniel Kavishe (Principal Economist: FMD); Queen Muluta (Senior Economist: FMD); Ennie Samati (Graduate Accelerate Programme Trainee).

ECONOMIC DEVELOPMENT REPORT

Following the established tradition, staff presentations on economic developments were split into global and domestic components.

THE GLOBAL ECONOMY

1. **The global economic uncertainty had remained elevated since the previous MPC meeting, primarily driven by the outbreak of war in the Middle East.** The global economy was assessed to be under pressure, reflecting supply-side disruptions and the protracted energy-price shock triggered by the war in the Middle East. Consequently, the International Monetary Fund (IMF), in its April 2026 World Economic Outlook, revised the 2026 global growth forecast downward to 3.1 percent, from 3.3 percent previously projected. Meanwhile, the 2027 forecast was unchanged at 3.2 percent. Downside risks to the global outlook remained elevated, including prolonged geopolitical tensions, energy price pressures and growing fiscal vulnerabilities.

2. **Global fiscal developments were characterised by elevated public debt, with expectations of further increases over the medium term.** Global debt stood at 94 percent in 2025, reflecting fiscal pressures amid geopolitical tensions and economic uncertainty. While fiscal deficits had remained at 5.0 percent, interest payments had risen sharply. Looking ahead, the IMF had projected global public debt levels to inch closer to 100 percent of GDP by 2029, underscoring the need for prudent fiscal management and monitoring of emerging risks to fiscal sustainability.

[1] Research and Financial Sector Development Department (RFSDD).

3. **The price of Brent crude oil rose markedly since the previous MPC sitting.** RFSDD stated that Brent crude oil price soared following the previous MPC meeting, peaking at approximately US$118 per barrel in late March 2026. Despite retreating to around US$106 per barrel at the time of the meeting, prices remained significantly elevated, primarily due to oil-supply disruptions and the closure of the Strait of Hormuz.

4. **Diamond prices remained subdued relative to the February 2026 MPC sitting.** The Zimnisky Global Rough Diamond Price Index declined further to 65 index points, on account of weaker global demand, competition from lab-grown diamonds and relatively higher inventory levels. Furthermore, it was emphasised that the global market share of synthetic diamonds had risen from approximately 2 percent in 2018 to around 20 percent at the time of the sitting, with broader macroeconomic implications for Namibia.

5. **Gold and uranium prices remained firm since the last MPC meeting.** The price of gold continued its descent from historic highs, reaching US$4,741 per ounce on the 27th of April 2026 from US$5,007 per ounce at the time of the February MPC meeting. The decline reflected reduced safe-haven demand amid the shift in market sentiment towards a higher interest rate environment. Similarly, the uranium spot price edged somewhat lower but remained firm at US$87 per pound, largely due to sustained global demand for carbon-neutral baseload electricity supply.

6. **Conversely, copper and zinc prices rose during the period under review.** The price of copper rose to US$13,217 per metric tonne on the 27th of April 2026, up from US$12,856 per metric tonne on the 16th of February 2026. Similarly, zinc price increased to approximately US$3,400 per tonne relative to US$3,289 per tonne previously. The upward movement in both base metal prices was attributed to supply-side concerns.

7. **The Committee was apprised that the global disinflationary trend observed since 2023 had been disrupted.** This was primarily on account of the inflationary pressures stemming from the war-induced energy-price shock and supply disruptions. Consequently, the IMF revised its reference inflation forecast[2] upward to 4.4 percent in 2026 and 3.7 percent in 2027, relative to previous projections of 3.8 percent and 3.4 percent, respectively. Compared to the previous MPC meeting, however, inflation

[2] Under the adverse and severe scenarios, inflation was projected to reach 5.4 percent and 6.0 percent in 2026, respectively.

remained lower in most monitored economies, despite ticking higher month-on-month in March 2026.

8. **Most monitored central banks adopted a wait-and-see approach to monetary policy setting.** RFSDD indicated that due to the escalation of geopolitical tensions in the Middle East, monitored central banks generally maintained their policy rates, opting for a data-dependent, 'wait-and-see' approach. Notable exceptions were the central banks of Brazil and Russia, which lowered their respective policy rates during the period under review, amid easing inflation and slowed domestic demand.

9. **The MPC noted the recent global economic developments.**

THE DOMESTIC ECONOMY

A presentation on domestic economic developments was delivered to the MPC.

10. **The MPC was apprised that economic activity decelerated to a post-pandemic low in 2025.** RFSDD indicated that activity in the domestic economic growth remained subdued, with real Gross Domestic Product having slowed from 3.8 percent in 2024 to 1.7 percent in 2025. The slowdown was ascribed to a contraction in the *primary industries*, exacerbated by slower growth in the *secondary* and *tertiary* industries. Year-to-date, available high-frequency indicators further pointed to slower domestic economic activity.

11. **Looking ahead, growth was anticipated to recover, but all the same, remaining weak over the forecast horizon.** Accordingly, growth was forecasted to gradually improve, albeit at weak levels of 2.6 percent for 2026 and 2.9 percent for 2027, a downward revision from the December 2025 outlook. Prominent risks to this growth outlook remained tilted to the downside, reflecting both external and domestic factors. External risks included further escalation of geopolitical tensions and protracted supply chain disruptions. Domestically, potential water supply challenges, especially for uranium mining activities, alongside unfavourable weather conditions, could weigh down on growth going forward. Notwithstanding these downside risks, several upcoming mining projects could bolster economic activity and employment in the coming years.

12. **Domestic consumer price inflation remained contained during the first quarter of 2026.** Headline inflation averaged 2.5 percent during the quarter under review, lower

compared to 3.7 percent recorded in the first quarter of 2025. Furthermore, annual consumer price inflation moderated to 2.1 percent in March 2026, 0.8 percentage point from its level recorded in January 2026. The downward trend was primarily driven by disinflationary pressures in the *food* category, as well as deflation in *transport*.

13. **Despite edging up somewhat since the previous MPC meeting, growth in Private Sector Credit Extension (PSCE) remained weak.** Annual growth in PSCE stood at 4.7 percent in February 2026, up from 4.4 percent in December 2025. Similarly, the average annual growth rate ticked up to 4.5 percent in the first two months of 2026, higher than 4.0 percent in the corresponding quarter of 2025. This improvement was owing particularly to increased uptake by businesses.

14. **Turning to the external front, Namibia's merchandise trade deficit deteriorated since the previous MPC sitting.** Notwithstanding a solid increase of 7.5 percent in export earnings, the trade deficit widened by 9.5 percent, year-on-year, to approximately N$9.0 billion during the first quarter of 2026, owing particularly to a faster increase in import payments. The acceleration in import payments was most pronounced in the category *mineral fuels*, *vehicles*, *electricity*, *machinery and sulphuric acids*. In particular, due to the war in the Middle East, mineral fuels rose dramatically by N$400 million in March 2026.

15. **The stock of international reserves remained sufficient to support the currency peg and fulfil Namibia's international financial obligations**. International reserves stood at N$51.8 billion at the end of March 2026, slightly lower than N$51.9 billion at the end of January 2026. At this level, foreign reserves translated to an estimated import cover of 3.2 months, which was sufficient to support the currency peg and meet the country's international financial obligations.

16. **The MPC noted the recent domestic economic developments.**

ADOPTION OF THE MONETARY POLICY STANCE

17. **The MPC deliberated on both global and domestic economic developments.** MPC members reflected on the recent developments in the global and domestic economies and noted in summary that:

- The global economic uncertainty had escalated since the previous MPC, owing particularly to the geopolitical tensions, with spillover effects propagating faster across economies.

- Consequently, the IMF had revised its global growth projection for 2026 downward, although the 2027 forecast was relatively unchanged to the previous forecast. Moreover, the global disinflationary trend had been disrupted, with the inflation outlook revised upward since the preceding MPC meeting.
- Public debt remained a concern and was expected to trend closer to 100 percent of GDP over the subsequent three years.
- Trends in key commodity markets have been mixed since the February 2026 MPC meeting. Notably, Brent crude oil price initially soared to triple digits during the period under review, while diamond prices remained subdued.
- Turning to the domestic economy, economic activity remained subdued, with real GDP growing at 1.7 percent in 2025, the lowest since Covid-19. Given this lower starting point, the growth outlook was revised downward compared to the previous forecast.
- Domestic inflation remained on a downward path. Notwithstanding, the impact of the energy shock from the war in the Middle East was anticipated to be felt going forward, leading to the upward revision of the Bank's medium inflation forecast. Upside risks to domestic to theinflation outlook were tilted to the upside.
- Despite edging somewhat higher most recently, PSCE growth continued to remain subdued.
- Foreign exchange reserves continued to remain sufficient to sustain the currency peg and fulfil the country's international financial obligations. Meanwhile, the trade deficit had deteriorated, reflecting the impact of the energy shock arising from the conflict in the Middle East.

18. **Against this backdrop, the MPC unanimously decided to maintain the Repo rate at 6.50 percent.** Commercial banks were accordingly expected to keep their Prime lending rates at 10.00 percent. This policy stance was deemed appropriate for safeguarding the one-to-one link between the Namibia Dollar and the South African Rand.

19. **In determining the appropriate monetary policy stance, the MPC considered several key factors.** Specifically, the weak domestic economic activity and credit extension, amidst a higher inflation forecast for 2026. The Committee further considered 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 thereof. While maintaining a cautious stance, the MPC further noted recent policy measures by Ministry of Industries, Mines and Energy to insulate the domestic economy

from the energy-price shock, which could moderate the inflation outlook over the short term.