



Monetary Policy

Announcement

Wednesday, 17 June 2026

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Governor



Bank of Namibia



**Monetary
Policy
Decision**

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**Domestic
economic
developments
and
outlook**

03

**Global
economic
developments
and
outlook**

02

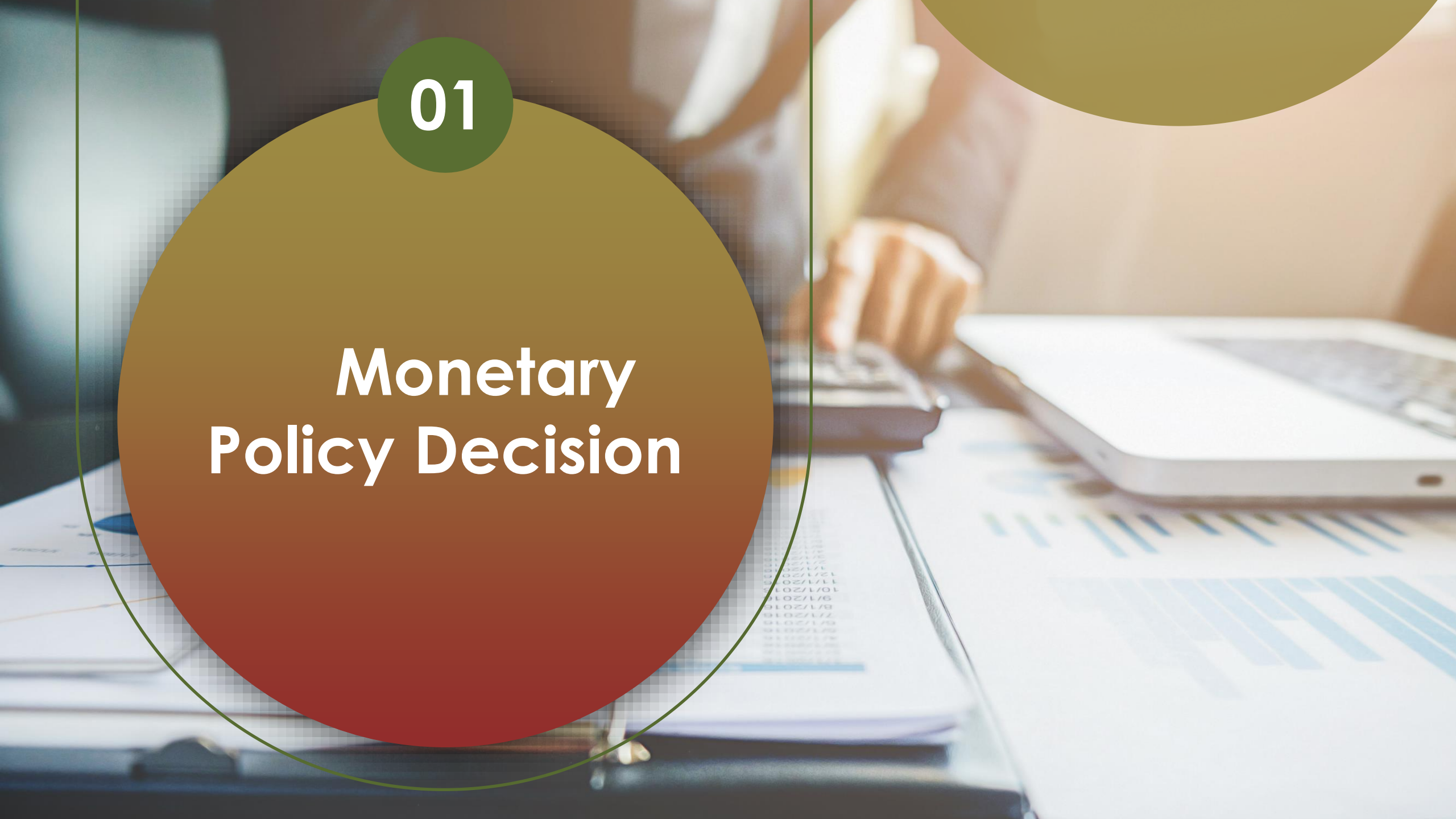
Conclusion

04



01

Monetary Policy Decision



Monetary Policy Decision



The **Repo**
rate rose to

6.75%

- ✓ The Monetary Policy Committee (MPC) of the Bank of Namibia met on the 15th and 16th of June 2026 to decide on the appropriate monetary policy stance for the next two months.
 - ✓ The MPC decided to increase the Repo rate to 6.75 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 has remained elevated since the previous MPC meeting, despite rising optimism that peace will be restored in the Middle East.

Trends in key commodity prices were mixed since the last MPC meeting.

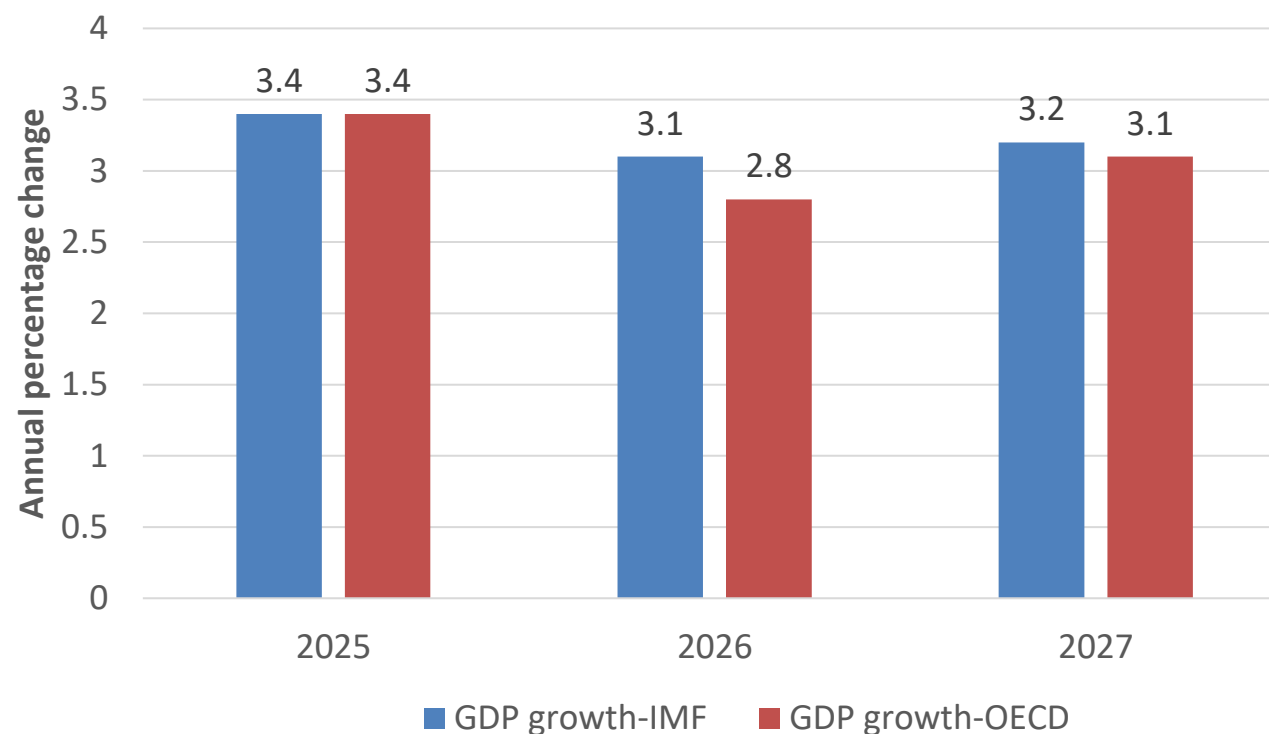
Monitored stock markets have rallied most recently, while bond yields remain elevated.

Inflation rose significantly across most monitored economies, with some key central banks tightening their policy rates.

▶ Global Economic Outlook

- Trends in real Gross Domestic Product were mixed across monitored economies since the previous MPC meeting.

- The IMF in its April 2026 WEO projected global growth to decelerate from an estimated 3.4 percent in 2025 to 3.1 percent in 2026 and 3.2 percent in 2027.
- In a more recent forecast, the Organisation for Economic Co-operation and Development has projected an even slower growth rate of 2.8 percent for 2026, before rising to 3.1 percent in 2027.
- Downside risks remain, particularly the re-escalation of geopolitical tensions, energy price pressures and growing fiscal vulnerabilities.



03

COMMODITIES

Developments in key commodity prices were mixed since the previous MPC meeting.

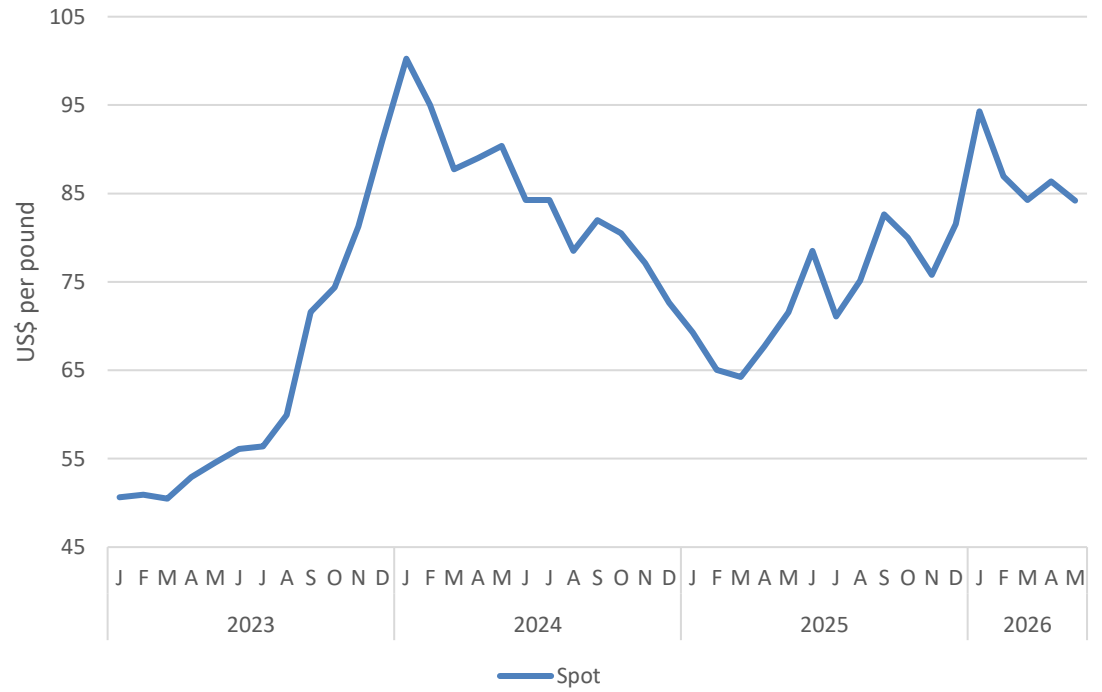


The price of gold trended lower, primarily due to prospects of higher interest rates.



source: tradingeconomics.com

Though uranium spot prices have declined marginally since the April 2026 MPC meeting, they remain firm, sustained by structural deficits.



Trends in key commodity markets were mixed since the April 2026 MPC meeting.



Rough diamond prices have remained subdued due to competition from lab-grown diamonds.



The price of zinc rose further on the back of robust demand.



source: tradingeconomics.com

The price of Brent crude oil fell to around US\$78 per barrel today amid expectations of higher oil supply following the anticipated US–Iran peace agreement.



Brent Crude Oil



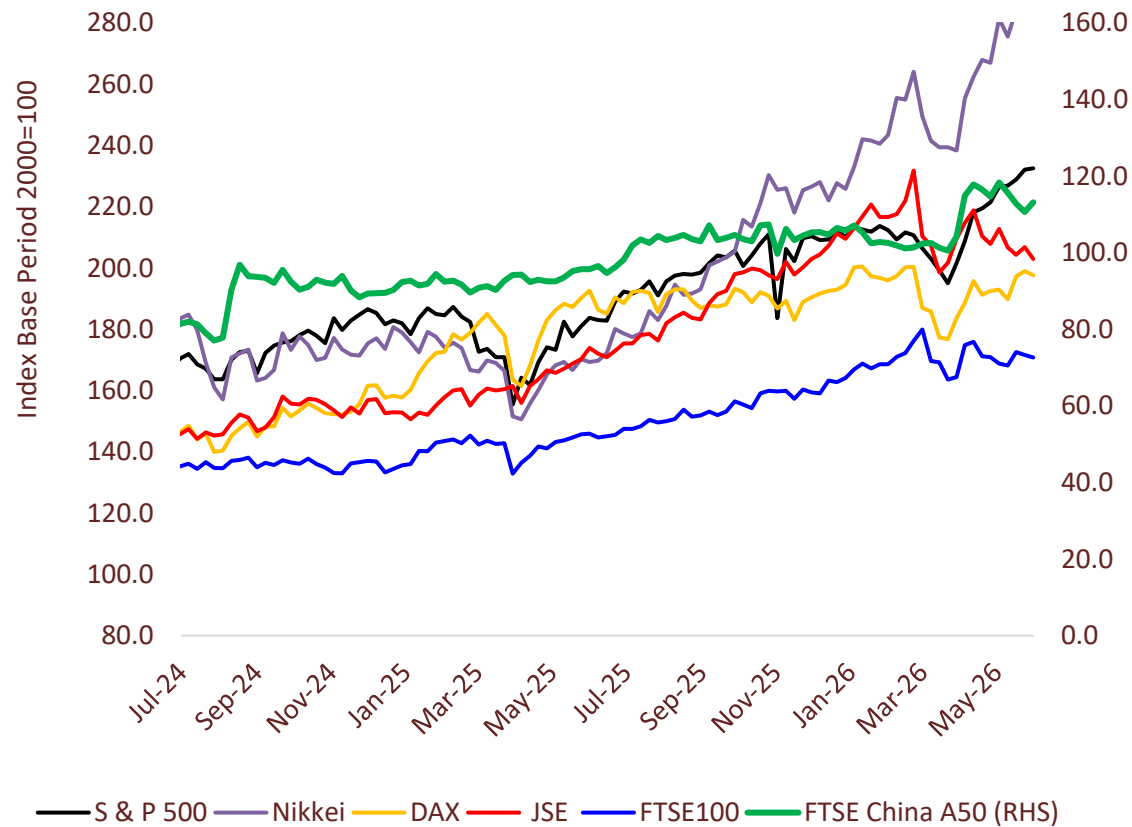
source: tradingeconomics.com

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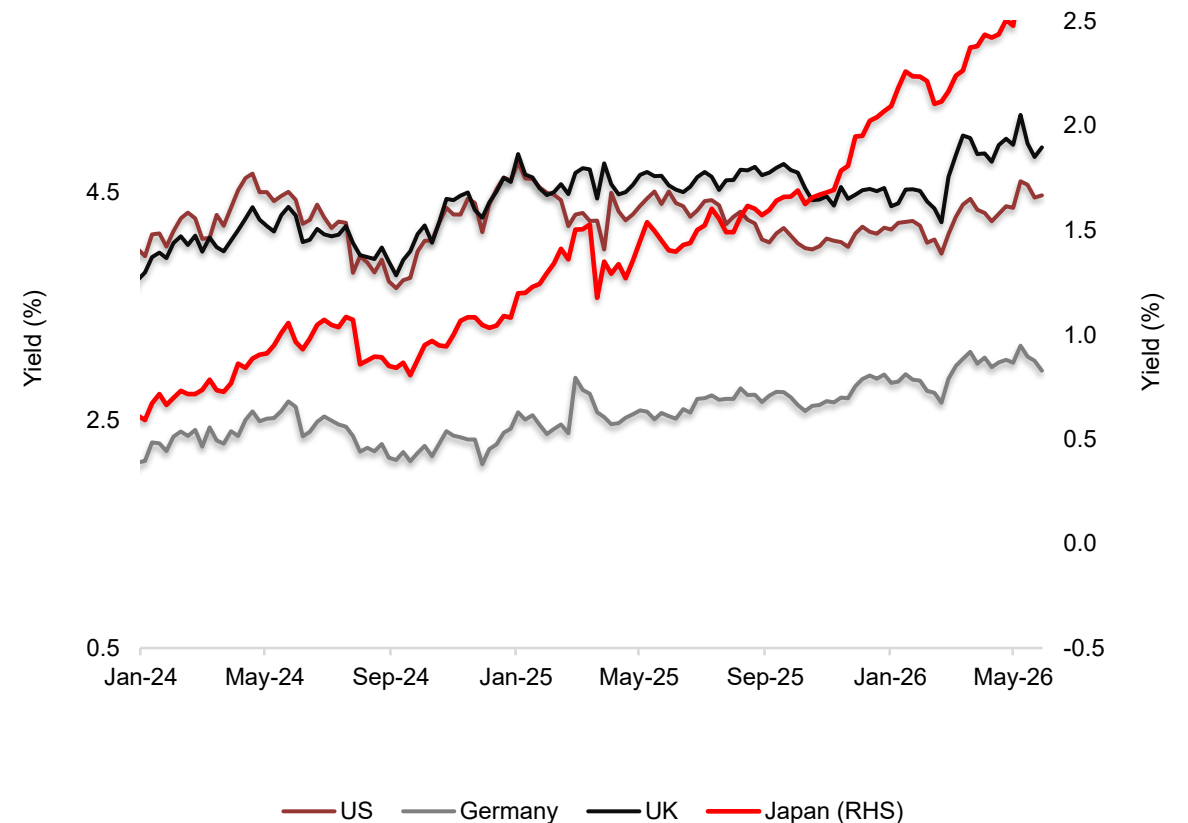
STOCK MARKETS



Key global stock markets were volatile, but rallied recently due to renewed optimism and the easing of geopolitical tensions in the Middle East.



Bond yields remained elevated amid inflation concerns.



05

GLOBAL INFLATION

▲ 35,140.50 +150.15
+25.15%

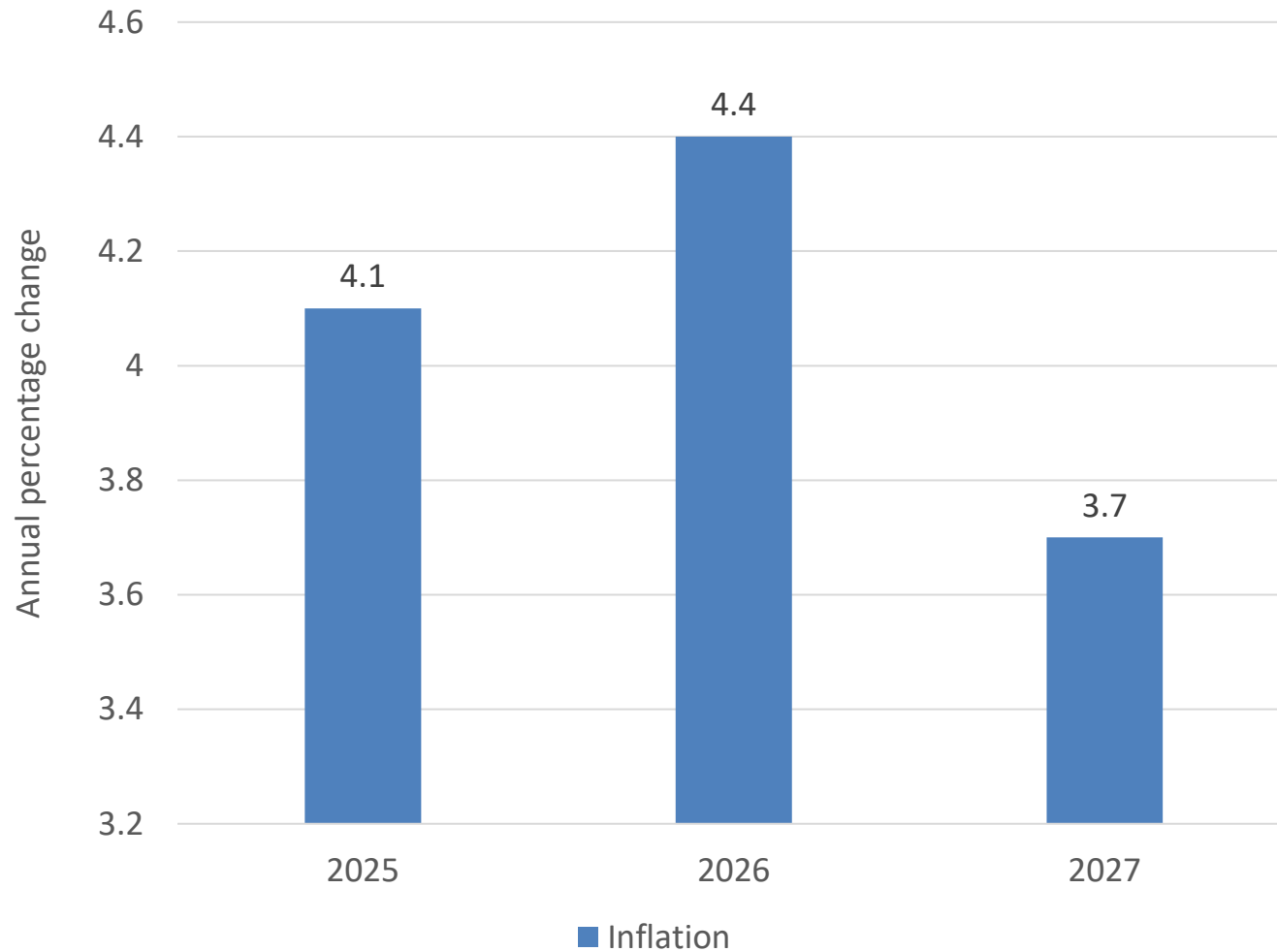
+0.19%

2,595 +20.05
+0.14%

▲ 15,500 +25.05
+0.50%



Inflation has increased across monitored economies, reflecting the effects of the energy price shock & supply chain disruptions.



The IMF projects global inflation to increase from 4.1 percent in 2025 to 4.4 percent this year, before falling to 3.7 percent in 2027.



06

GLOBAL MONETARY POLICY

Monetary policy in key economies has shifted from a cautious approach towards tightening on account of rising inflationary pressures.



Country/Grouping	Policy rate name	Policy Change Since 29 Apr 2026 (%)	Current Policy Rate	Latest Inflation(%)	Real Interest Rate
United States	Federal funds rate	0.00	3.50–3.75	3.8	-0.05
United Kingdom	Bank rate	0.00	3.75	3.3	0.45
Japan	Refinancing rate	+0.25	1.00	1.5	-0.4
Eurozone	Deposit rate	+0.25	2.25	3.0	-0.75
Brazil	SELIC rate	-0.25	14.50	4.4	10.1
Russia	Key rate	-0.50	14.50	5.6	8.9
India	Repo rate	0.00	5.25	3.5	1.8
China	Lending rate	0.00	3.00	1.2	1.8
South Africa	Repo rate	+0.25	7.00	3.1	3.9



07

Domestic Economic Developments and Outlook



Real Sector

Domestic economic activity remained weak over the first four months of 2026.

Inflation

Inflation increased, reflected mainly in transport inflation, and it is projected to rise over the remainder of 2026.

Domestic Economic Developments and Outlook

Monetary Sector

Credit edged up slightly but remain subdued.

External Sector

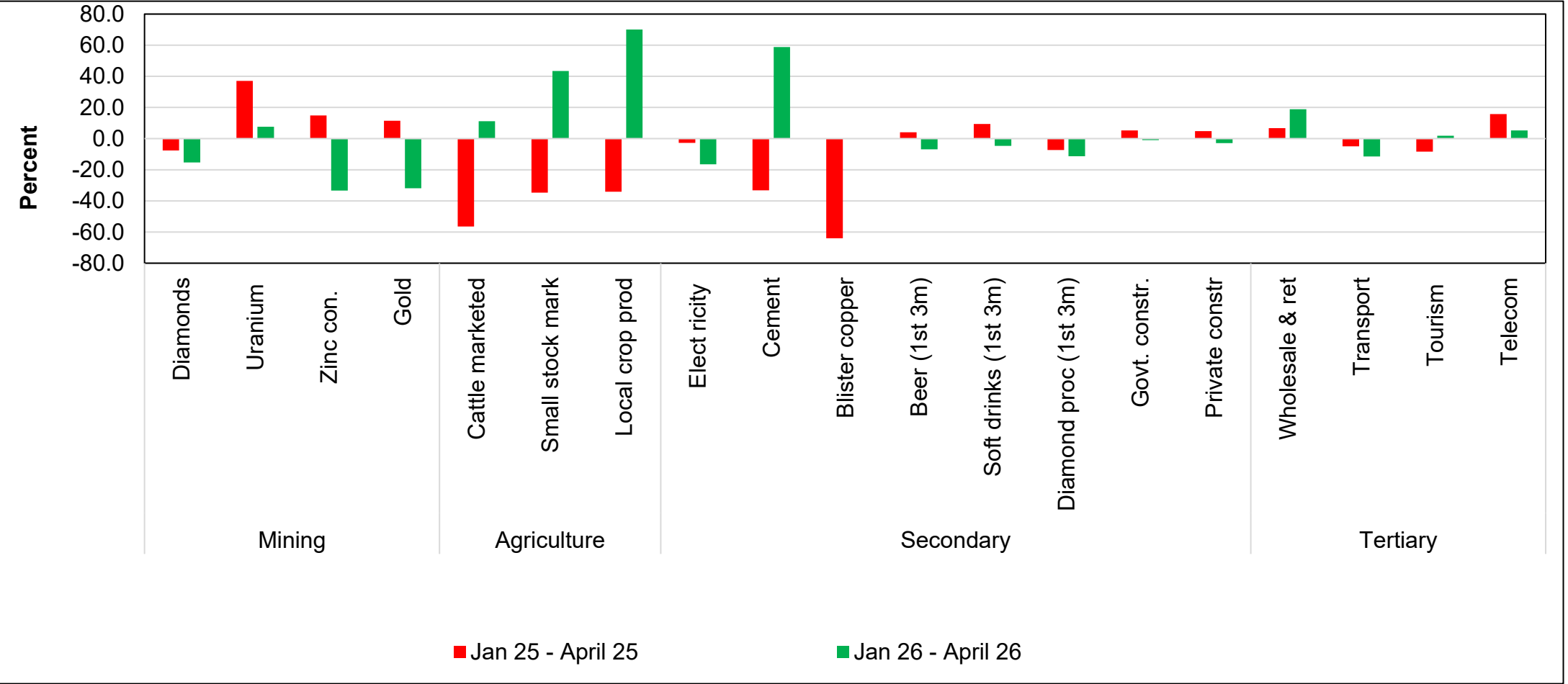
Stock of international reserves continued to remain sufficient to maintain the currency peg and meet the country's international financial obligations.

08

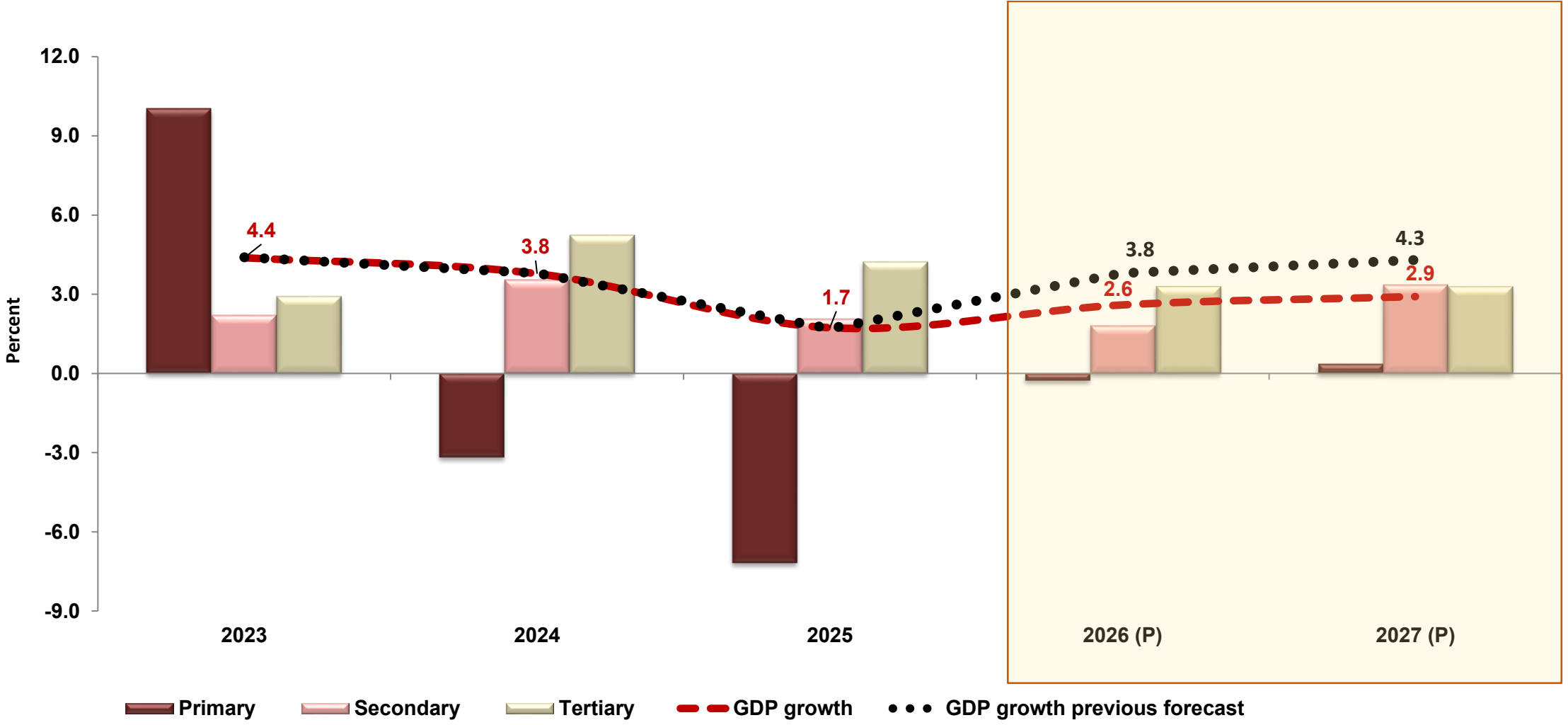
GDP GROWTH RATE AND OUTLOOK



Domestic economic activity weakened during the first four months of 2026, most pronounced in the mining, manufacturing, tourism, electricity generation, construction and communication sectors.



Growth is projected at 2.6 percent for 2026 and 2.9 percent for 2027, primarily on account of strong activity in uranium mining, wholesale and retail trade, financial services, public administration and defense.



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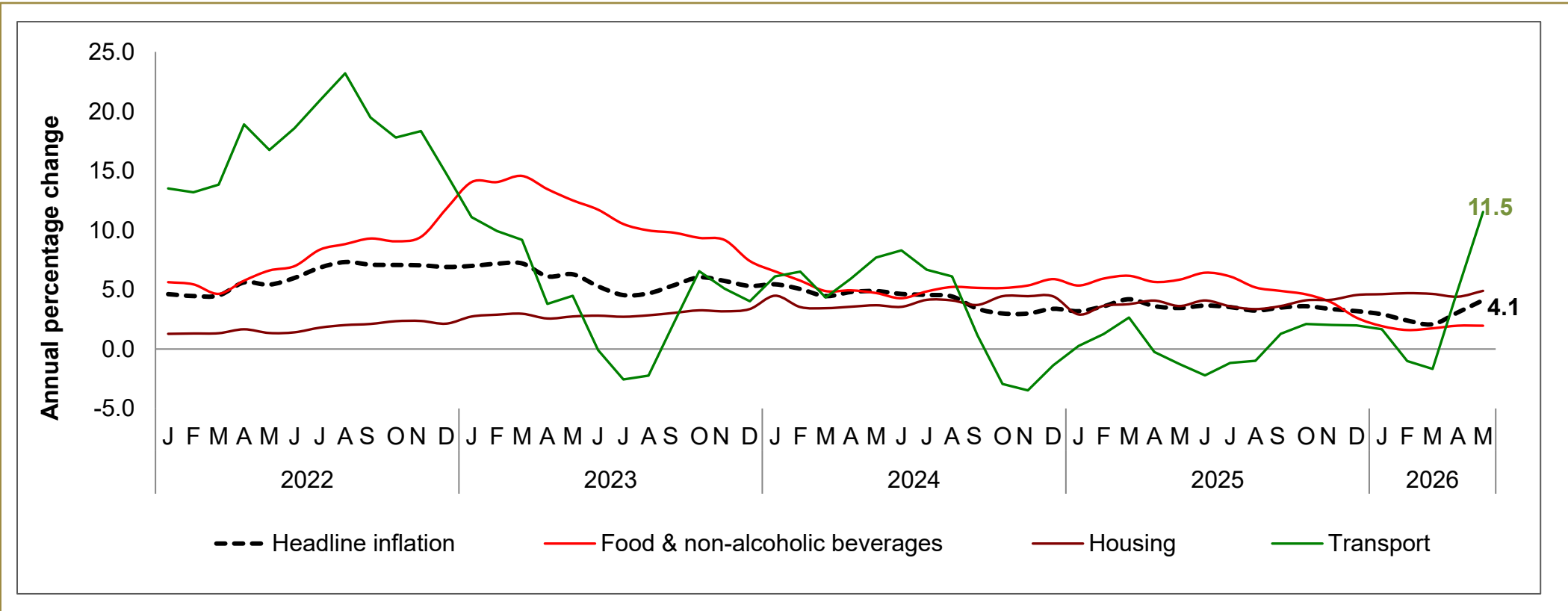
INFLATION AND OUTLOOK



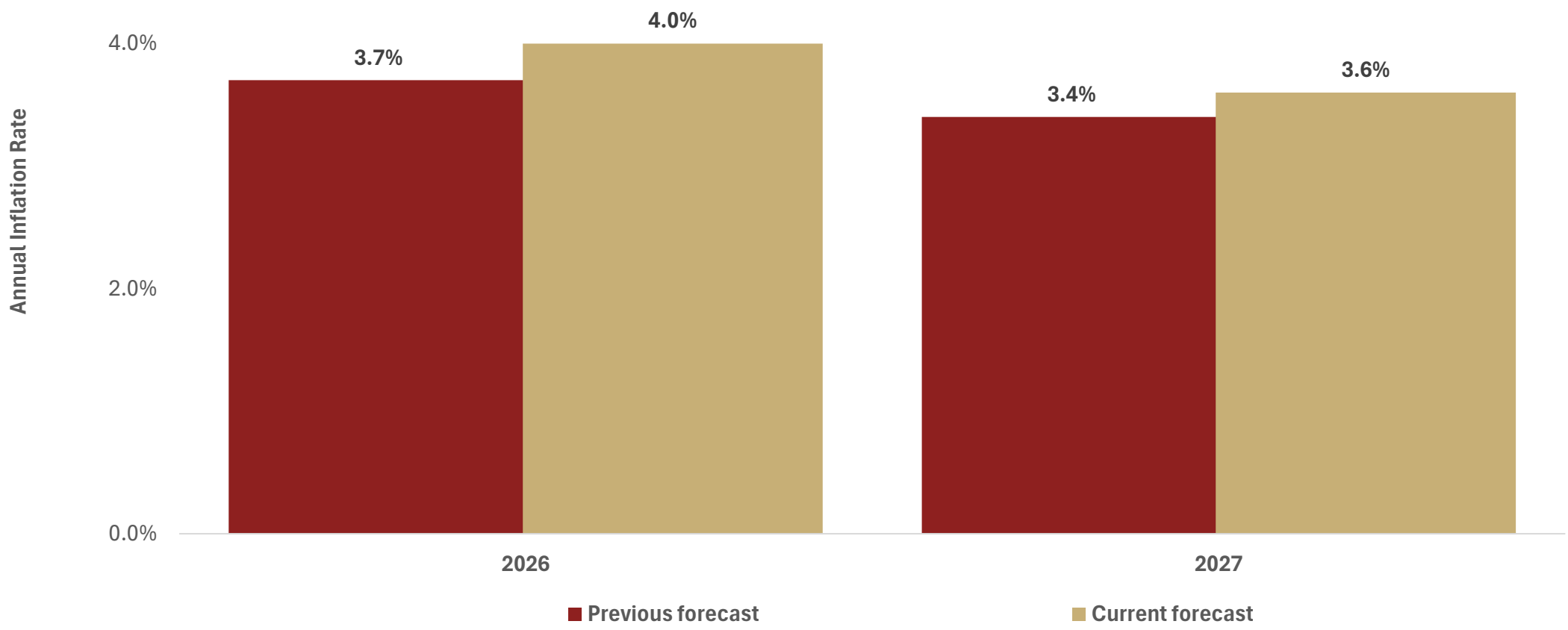
Since the previous MPC meeting, overall inflation has increased.



The headline inflation increased to 4.1 percent in May 2026, up from 2.1 percent in March, primarily driven by rising prices in the transport category.



Inflation is expected to rise to 4.0 percent in 2026, largely due to higher oil prices, before falling to 3.6 percent in 2027

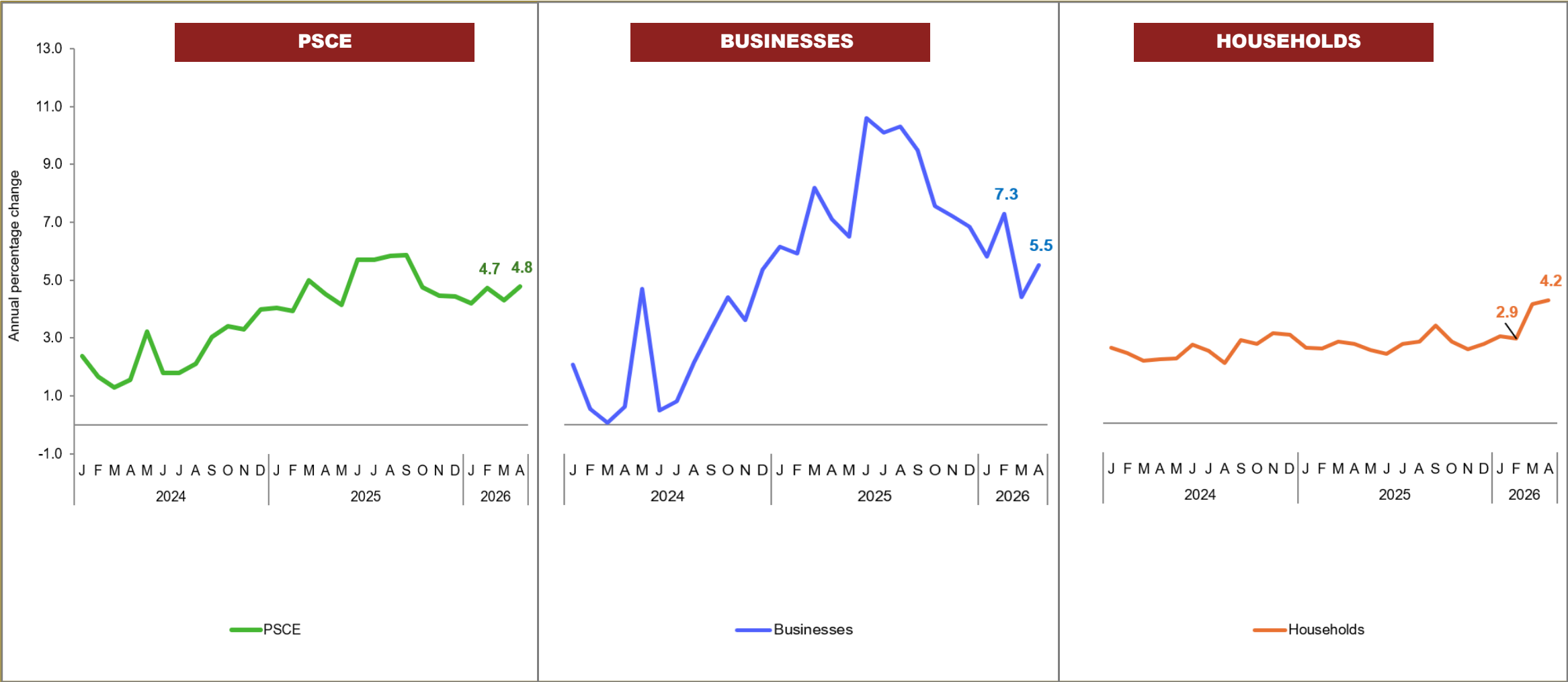


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MONETARY DEVELOPMENTS



Growth in PSCE has edged higher since the last MPC meeting, primarily due to higher household credit uptake, while credit to businesses moderated.



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EXTERNAL SECTOR DEVELOPMENTS

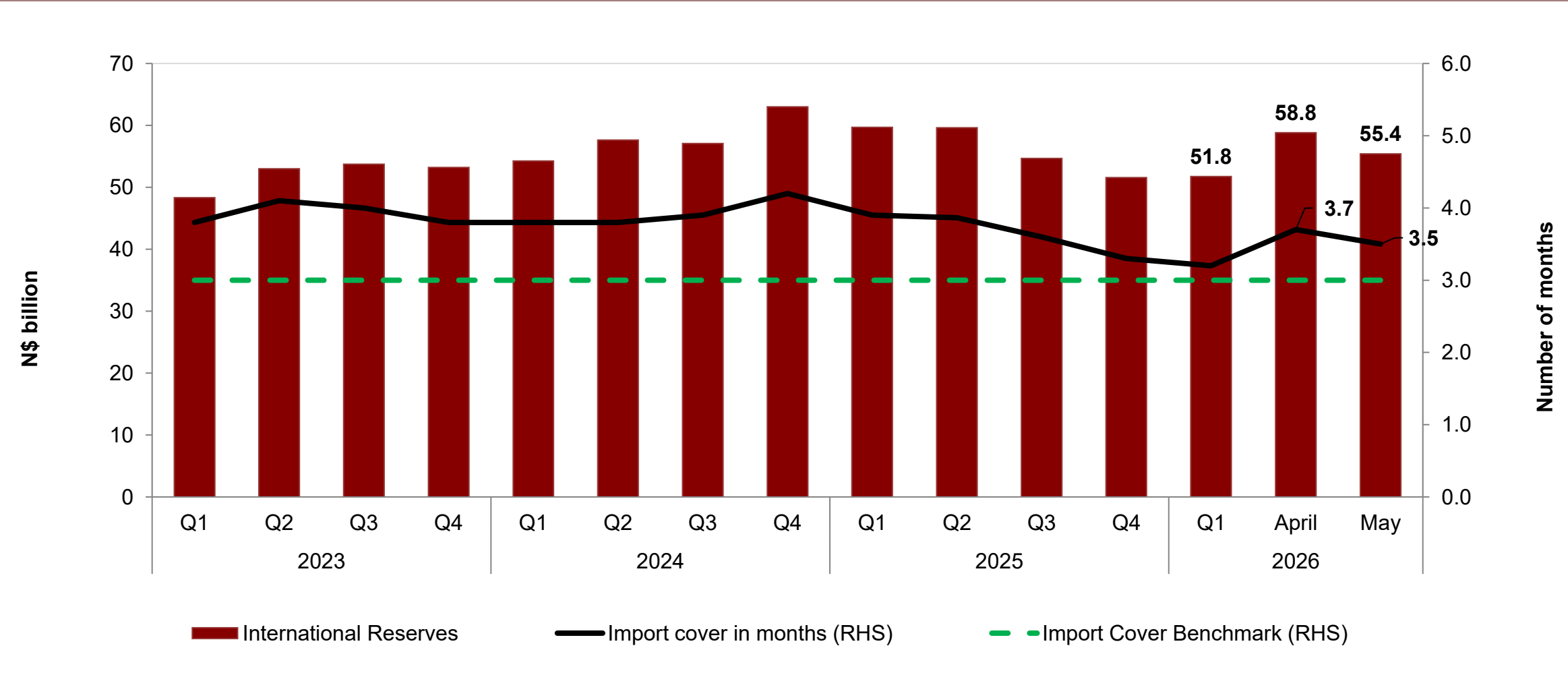


Despite a faster growth in export receipts, the merchandise trade deficit widened due to higher import payments for machinery, mineral fuels, vehicles, and electricity.



N\$ Millions	First four months of 2025	First four months of 2026	Growth(%)
Merchandise trade balance	(11,267)	(11,723)	4.0
Exports fob	29,263	31,758	8.5
Diamonds	2,590	2,289	(11.6)
Uranium	6,746	7,249	7.5
Gold	5,658	6,481	14.5
Other mineral products	1,585	1,476	(6.9)
Food and live animals	821	1,457	77.5
Manufactured products	9,223	9,919	7.5
<i>of which is fish</i>	5,302	5,932	11.9
Other commodities (Mainly electricity)	689	811	17.6
Re-exports	1,951	2,066	5.9
Imports fob	40,530	43,481	7.3
Consumer goods	11,408	10,964	(3.9)
Mineral fuels	8,368	8,792	5.1
Vehicles, Aircraft, Vessels	4,570	4,930	7.9
Machinery and Mechanical Appliances	7,256	8,280	14.1
Base Metals and Articles of Base Metal	2,451	2,784	13.6
Products of the Chemical Industries	4,012	4,227	5.4
Precious or Semiprecious Stones,	34	437	1,177.8
Other imports (mainly electricity)	2,431	3,067	26.1

Foreign reserves rose to N\$55.4 billion (3.5 months of imports) at the end of May 2026, which is adequate to sustain the currency peg.





Conclusion

- **The MPC decided to raise the Repo rate by 25 basis points to 6.75 percent.**
- This increase effectively brings the Prime lending rate to 10.25 percent.
- **This is deemed appropriate to mitigate against inflationary risks and safeguard the one-to-one link between the Namibia Dollar and the South African Rand.**
- The MPC noted rising global and domestic inflationary pressures over the near term, despite the ensuing peace agreement between the United States and Iran.
- **The Committee was mindful of the subdued domestic economic activity and sluggish credit extension to the private sector.**
- The next MPC meeting will be held on 10 and 11 August 2026.

**Thank
You**

