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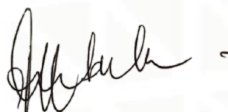
## **GOVERNOR !GAWAXAB ENGAGED DIPLOMATIC STAKEHOLDERS**

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1. The Bank of Namibia held its annual diplomatic stakeholder engagement today, bringing together representatives from various embassies, high commissions, international organisations, and development partners. These annual engagements are part of the Bank's commitment to foster open dialogue by updating stakeholders on recent domestic economic developments in the domain of the central bank.
2. The engagement presented an overview of the global and domestic economic outlook. The global economy continues to demonstrate remarkable resilience, with steady growth projected at 3.2 percent for 2024 and 2025. However, global inflation remains elevated but is expected to ease to 5.9 percent in 2024 and 4.5 percent in 2025. The presentation also highlighted the impact of fading goods and energy pressures on inflation, with most major economies expected to meet central bank targets by 2025.
3. On the domestic front, Namibia's economy is projected to slow down to 3.7 percent in 2024 before showing a slight improvement in 2025. This is attributed to a slowdown in various mining subsectors, weak global demand, and drought affecting crop farming activities. Despite these challenges, sustained investment in energy (oil & gas, green hydrogen) and mining in critical rare earth minerals is expected to drive medium-term growth.
4. Governor Johannes !Gawaxab also used the opportunity to highlight the Bank's transformative journey over the past few years, focusing on the implementation of a three-year Strategic Plan (2022-2024) aimed at futureproofing the organisation and the financial sector it regulates. A key element of this strategic plan is the Digital Transformation agenda, which has led to several significant initiatives poised to reshape the Namibian financial landscape. One such initiative is the establishment of an Innovation Hub designed to digitally transform both the Bank and the financial services industry by leveraging technologies that drive modernisation, financial inclusion, and economic development in Namibia.

5. Reflecting on the Bank of Namibia's commitment to monetary and financial stability, Governor !Gawaxab outlined the institution's evolving mandate. He stressed the importance to refine regulatory and supervisory models to enhance price and financial stability and to embrace technological advancements. This forward-thinking approach includes the exploration of Central Bank Digital Currencies (CBDCs) to enhance payment system efficiency, and financial inclusion, amongst other objectives.
6. The Bank is also supporting the introduction of the first Central Securities Depository (CSD) for the country. This infrastructure will hold financial securities such as stocks and bonds in electronic form, facilitating ownership, depository, and record-keeping functions, thereby enhancing efficiency and transparency in the trading of Namibian securities.
7. Another ground-breaking initiative is the launch of the Instant Payment Project in collaboration with the Reserve Bank of India and the National Payments Corporation of India, which aims to revolutionise Namibia's financial infrastructure by enabling real-time, secure, and cost-effective payments with both online and offline capabilities.
8. Said the Governor: "Our core mission revolves around upholding Namibia's monetary and financial stability, a commitment that the Bank of Namibia has diligently maintained for the past 34 years. However, the mandate we oversee as far as the economy and financial stability are concerned, has undergone substantial changes over this period. While cash continues to play a significant role, technological advancements have reshaped the environment, prompting a re-evaluation of our regulatory and supervisory approaches. We will continue to innovate and refine our models to fulfil our mandate of safeguarding price and financial stability more effectively, while ensuring the financial system delivers prosperity for Namibia."
9. Attendees included Ambassadors and High Commissioners, and heads of multilateral agencies and other prominent international organizations.

Issued by:



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