



REPUBLIC OF NAMIBIA

MINISTRY OF FINANCE

MINISTERIAL STATEMENT TO PARLIAMENT

BY HON. ERICAH SHAFUDAH, MINISTER OF FINANCE

A handwritten signature in black ink, appearing to read 'Ericah Shafudah', is positioned to the right of the text.

REPAYMENT OF THE EUROBOND

DATE: 29 OCTOBER 2025

Honourable Speaker, Honourable Members of Parliament,

1. I rise today to share some excellent news with this August House and with all Namibians. Our country has just paid off its biggest-ever international loan, known as the Eurobond, worth 750 million US dollars, approximately N\$12.8 billion(USD/NAD 17.15). This is the largest single-day debt payment in Namibia's history and shows that we are managing our finances responsibly and keeping our promises.

What is the Eurobond, and Why Did We Borrow?

2. A Eurobond is a financial instrument through which middle-income countries, such as Namibia, as well as other emerging and developed economies, can secure funding from the international capital market. These U.S. dollar-denominated loans, referred to as Eurobonds, are structured to be repaid over time.
3. Namibia issued its first Eurobond in 2011 for US\$500 million (approximately N\$7.5 billion) at an interest rate of 5.5%. The funds were allocated to support initiatives, including the National Housing Enterprise and other development goals. The bond was successfully redeemed in November 2021.
4. In 2015, Namibia entered the international capital markets for the second time, with the issuance of a US\$750 million Eurobond, at a coupon of 5.25%, which was repaid today. It is worth noting that at a time of borrowing, Namibia's credit rating was favourable, and as such, we received a favourable interest rate on our bonds. The total debt repayment (including interest payments of about USD 422 million) amounts to USD 1.23 billion, which is equivalent of N\$21.2 billion over a period of 10 years
5. The primary purpose of the Eurobond was to finance the anticipated budget deficit for the FY2015/16 and FY2016/17. In addition, the proceeds were utilized to strengthen international reserves, fund key infrastructure projects (notably in the power, water, logistics, and transport sectors), support industrialization, and invest in the education sector, to enhance skills development across the country.



How Did We Pay It Back?

6. The redemption of the Eurobond in FY2025/26 was not only anticipated—it was meticulously planned to follow the above principle. Through prudent fiscal management, we established a sinking fund that accumulated the necessary resources to meet our obligations without compromising service delivery or macroeconomic stability. Through this mechanism, we have mobilised US\$444 million, demonstrating our resolve to meet obligations.
7. To bridge the remaining gap of US\$306 million, we issued a Request for Proposal to local commercial banks. I am pleased to announce that the response was robust and competitive. The following institutions were awarded participation:
 - i. Standard Bank: N\$3.0 billion (the award is broken into two tranches of 1.5 billion each at an interest rate of 8.33 percent and 8.60 percent, respectively. The debt is repayable in bullet payments of between three and five years.
 - ii. FNB: N\$1.5 billion (at an interest rate of 9.10 percent – bullet payment of 5 years).
 - iii. Bank Windhoek (in partnership with ABSA): N\$1.5 billion (at an interest rate of 9.20 percent – bullet payment of 5 years).
8. This strategy allowed us to avoid re-entering the Eurobond market under unfavourable global conditions. It preserved our foreign reserves, reduced exchange rate exposure, and reinforced investor confidence in Namibia's creditworthiness.
9. While foreign reserves are projected to decline from N\$63 billion as at the end of 2024 to N\$47 billion by year-end of 2025, we anticipate a moderate recovery in 2026, supported by sound fiscal planning and continued economic resilience.
10. Domestic debt now makes up about 85% of government debt, with only 15% owed to foreign lenders.

Honourable Speaker, Honourable Members of Parliament,

Why Is This Important?

11. **Protecting Our Economy:** By paying off this debt, we have shown the world that Namibia is trustworthy and can manage its money well. This helps keep our economy strong and protects us from sudden changes in the global market.



12. **Building for the Future:** Most of our government debt is now owed to local banks, not foreign ones. This means we are less at risk from exchange rate fluctuations and more of our money stays in Namibia.

13. **A Promise Kept:** We promised to pay back what we borrowed, and we have done so. This builds trust with investors and gives us more options in the future if we need to borrow again.

Honourable Speaker, Honourable Members of Parliament,

Looking Ahead

14. We will continue to manage our finances wisely, raise more money within Namibia, and invest in projects that benefit all our people. This achievement is not just about money—it is about Namibia's independence, credibility, and our shared future.

Special Thanks

15. I want to thank everyone who worked hard to make this possible, especially the teams at the Ministry of Finance and the Bank of Namibia. Today is also the birthday of our President, Her Excellency Dr Netumbo Nandi-Ndaitwah, making this achievement even more special for our nation.

Honourable Speaker, Honourable Members of Parliament,

16. **In closing:** Namibia keeps its promises. We borrow wisely, invest carefully, and repay responsibly. This is a proud day for all of us.

I thank you.

