

## **Ipumbu Shiimi: Credit information sharing in Namibia**

Welcoming remarks by Mr Ipumbu Shiimi, Governor of the Bank of Namibia, at the launch of the Namibia Data Sharing Alliance, Bank of Namibia, Windhoek, 2 March 2015.

\* \* \*

***Director of Ceremony***

***Dr Prega Ramsamy, CEO of FinMark Trust***

***Mr Phillip Shiimi, CEO of NAMFISA***

***Mr Darrel Beghin, Executive Director, Credit Provider Association of SA***

***Mr Grant Phillips, CEO Africa Regions, TransUnion***

***Mr Frank Lenisa, Director, Compuscan***

***Representatives of Lending Institutions,***

***Distinguished invited Guests,***

***Members of the media,***

***Ladies and Gentlemen,***

***Good morning and welcome to the Bank of Namibia!***

It is my singular honour and pleasure to join you this morning at this occasion to mark the launch of the Namibia Data Sharing Alliance. As you may recall, on 19 August 2013, I officiated at the Credit Information Sharing Workshop held in Windhoek organised by FinMark Trust. The purpose of the Workshop was to explore potential approaches and actions that could improve the quality and flow of credit information in Namibia for the benefit of credit providers and, ultimately, their consumers. That Workshop paved the way for the establishment of Namibia Data Sharing Alliance, as a platform for credit information sharing among credit providers in Namibia. What we are witnessing today is a beginning of an exciting journey for Namibia in terms of credit information sharing.

***Ladies and gentlemen***, the launch of the NDSA comes at a time when the Bank is in the process of implementing the regulatory framework for Credit Bureaus. As you may be aware, Namibia did not previously have legislation for regulating credit bureaus. That position changed in August 2014 when the Credit Bureau Regulations were gazetted. The Regulations are meant to regulate the operations and conduct of credit bureaus, in order to ensure that credit information sharing is carried out within the confines of the law. As part of the provisions of the Regulations, credit providers in Namibia are now required to provide credit performance information to all registered credit bureaus. The purpose of this provision is to ensure that a complete picture of individual borrowers is obtained, to enable comprehensive affordability assessments to be done with a view to curb over indebtedness of customers. This is in line with the Bank's mandate of enhancing and maintaining stability in the financial sector. Therefore, the broader objectives of the NDSA and the Credit Bureau Regulations are complimentary in nature.

***Ladies and gentlemen***, the rate of a country's economic development is driven by the ease with which individuals and productive enterprises such as SMEs access funding. Therefore, the Namibia Financial Sector Strategy (NFSS), launched by the Honourable Minister of Finance in 2012, has financial inclusion as one of its key strategic goals. Although financial exclusion has been reduced from baseline of 51% determined in 2007 to 31% in 2011, the intention is to reduce it further to 26% by 2021. In order to reach the set target, as a country, we need to devise various strategies such as improving credit information sharing, which is regarded as the catalyst to financial inclusion.

**Ladies and gentlemen**, good credit information sharing plays a critical role in enhancing credit to individuals and private enterprises. It enables credit providers to undertake effective credit risk assessments based on available credit history, whereas the borrowers are able to negotiate for better credit terms based on their good credit history. Therefore, initiatives such as the NDSA and the Credit Bureau Regulations will greatly contribute to the realisation of the NFSS objectives of enhancing access to finance and maintaining stability in the financial system.

**Director of ceremonies, ladies and gentlemen**, the success of credit information sharing require a broad range of credit providers actively supplying data to the credit information system. It is thus important for all credit providers to take up membership with the NDSA and be part of this exciting initiative. I therefore call upon credit providers to join the NDSA to ensure the realisation of meaningful credit information sharing in Namibia.

**In conclusion**, I would like to commend FinMark Trust for initiating and facilitating this noble project. This indeed demonstrates that you always stay true to your slogan of “making financial markets work for the poor”. All of us should be part of the solution of making credit cheaper and more affordable, in a responsible fashion through credit information sharing. The Bank of Namibia is proud to be associated with this project!

With these few remarks, **Director of Ceremonies, Ladies and Gentlemen**, it is my pleasure to declare the Namibia Data Sharing Alliance officially launched.

Thank you for your kind attention.