SARB Governor: New 3% Inflation target is non-negotiable

New norm

Lesetja Kganyago says the target must be achieved "at all material times" as repo rate is cut to 6.75%.

OGONE TLHAGE

South African Reserve Bank (SARB) Governor Lesetja Kganyago says the newly stated inflation target of 3% will be non-negotiable and will have to be achieved at all material times. Kganyago made the remarks following the announcement of the repo rate, which was reduced by 25 basis points, bringing it down to 6.75% with effect from 21 November 2025.


WATCH: SARB governor Lesetja Kganyago speaks on inflation matters.

NEW NORM: South African Reserve Bank governor Lesetja Kganyago addresses the media while announcing a reduction in the repo rate by 25 basis points in that country this week, bringing it to 6.75%. PHOTO: SARB

From a target range to a point target

This follows a recent decision by South African finance minister Enoch Godongwana and Kganyago to move away from the inflation-targeting framework – which aimed to keep inflation within a 3–6% band instituted under then-SARB Governor Tito Mboweni – to a new target that aims to keep inflation firmly at 3%, with a tolerance band of 1 percentage point either side.

"To support communication and accountability, we therefore want it understood that inflation will not always be precisely 3%. When there are deviations, we will explain what has driven inflation away from target, and we will do what is required to get back to target," he said.

While achieving the stated inflation target would be challenging, Kganyago stressed the need for the SARB to ensure it always achieves its objective.

"The tolerance band, of 1 percentage point either side of 3%, does not mean we will be indifferent to inflation anywhere between 2% and 4%. We want to be at 3%," Kganyago said. "However, no central bank has the tools to deliver inflation at an exact point all the time. As flexible inflation targeters, we also recognise that trying to offset all price shocks would create undesirable volatility in output," he added.

Why the repo rate was cut

The SARB expects to achieve its new firm inflation target over the next year or two, Kganyago said. "Monetary policy actions have their main effects on prices after 12 to 24 months, so you should expect us to achieve our target over that horizon. Accordingly, we want longer-run expectations to anchor at 3%, staying there even when there are shocks. This lag, between monetary policy decisions and outcomes, also explains why the 3% target is taking effect now, but will be achieved over the forecast period," Kganyago said.

Kganyago was upbeat that the Reserve Bank was moving in the right direction following the shift in monetary policy.

"For inflation expectations, we do not have an update from our usual survey this meeting, but market rates and surveys of analysts both show further progress towards the 3% objective," he said. According to him, core goods prices were benefiting from exchange-rate strength. "Food price inflation seems to have peaked, although we have a small upward revision to this forecast, mainly from beef prices. Services inflation is unchanged from the last meeting: the announced medical aid increases are lower than last year's; at the same time, housing inflation has accelerated, which warrants ongoing scrutiny," he said.

Against this backdrop, the SARB's Monetary Policy Committee decided to reduce the policy rate by 25 basis points, Kganyago explained.

"The decision was unanimous. Members agreed there was scope now to make the policy stance less restrictive, in the context of an improved inflation outlook. The quarterly projection model continues to forecast gradual rate cuts as inflation subsides. As before, this rate path remains a broad policy guide. Our decisions will continue to be taken on a meeting-by-meeting basis, with careful attention to the outlook, data outcomes, and the balance of risks to the forecast.

Bank of Namibia welcomes the move

The Bank of Namibia (BoN) has voiced its support for the policy shift, saying it will result in lower and more stable long-term inflation in Namibia. "An analysis carried out by the BoN found that a lower inflation target of 3% in South Africa will result in low and stable long-term inflation in Namibia, which is ultimately good for the objective of price stability," central bank Governor Johannes !Gawaxab said in a statement.

"Moreover, the eventual decline in inflation is expected to lead to a reduction in interest rates in the medium term. Mindful of the envisaged benefits of the lower inflation target, the Bank of Namibia welcomes the new target, as this could enhance welfare and macroeconomic stability for Namibia," he added.

NOTICE OF INITIAL SELECTION DOCUMENT (ISD) FOR EPC CONTRACT

The Namibian Ports Authority (Namport) hereby invites interested and eligible firms to participate in the Initial **Selection process** for the award of an **Engineering, Procurement, and Construction (EPC) Contract** for the Port of Walvis Bay South Port – Berth 9 Modification Project, located in Walvis Bay, Namibia.

Bid Reference Number	Brief Description	Pre-Application and Site Meeting	Last Day for Clarification Requests	Closing Date
ISD/EPC/ NAMPORT-3694/2025	Port of Walvis Bay South Port – Berth 9 Modification, may include but is not limited to **the following major components:** • Reinforced concrete and/or steel Quay wall, bridge and deck construction • Modification of existing jetty • Dredging and Land Reclamation • Ground Improvement and Road Works	Non-Compulsory Pre-Application and Site Meeting on 08/12/2025 @10h00 AM Local Namibian Time (Virtual Bid Opening Link available on website)	09/01/2026	29/01/2026 @ 12h00 PM Local Namibian Time (Virtual Bid Opening Link available on website)

1. The Initial Selection Document (ISD) will be available from the Namport website at https://www.namport.com.na/procurement. Interested eligible bidders are requested to visit the website for full details of the bidding requirements. Bidders must register as suppliers and express interest in the specific bid.
2. A Non-compulsory Pre-Application and Site meeting is scheduled for **08/12/2025 at 10H00 AM**. Bidders should take note that the virtual meeting link is available on the website.
3. The completed Initial Selection Applications must be submitted to: **The Tender Box, Namibian Ports Authority (Namport) Reception, No. 17 Rikumbi Kandanga Road, Walvis Bay** by **29 January 2026** at **12h00 PM local Namibian** time

ALL enquiries related to this bid must be directed in writing by email to the following contact details:

Procurement Manager
Melani de Klerk
Tel: +264 208 2319
Email: m.deklerk@namport.com.na or

Acting Tender and Contracts Administrator
Debby Sylvester
Tel: +264 208 2450
Email: d.sylvester@namport.com.na or procurement@namport.com.na

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PUBLIC NOTICE

Proposed Borrow Pits/ Sand Mining in the Dorob National Park, near Swakopmund, Erongo Region

The public is hereby notified that an application for an Environmental Clearance Certificate will be submitted for the proposed borrow pits / sand mining activities located within the Dorob National Park, approximately east of Swakopmund along the B2 road up to the C28 junction, in the Erongo Region. The application will be made in accordance with the Environmental Management Act of 2007 and the Environmental Impact Assessment Regulations of 2012.

Powestone CC proposes to extract sub-base material, river sand, and dune sand from three designated areas to supply construction materials for roadworks, housing, and other infrastructure projects in the region. The company has submitted three applications currently undergoing environmental assessment.

Interested and Affected Parties are invited to register and take part in the EIA process. A Background Information Document is available upon on request, and a public meeting will be arranged upon expressed interest from Interested and Affected Parties. The deadline for registration is the 15th December 2025.

To register contact Ms Aili Iipinge, info@earth-es.com.na,
For technical information contact: Ms. Emerita Ashipala, emerita@earth-es.com.na

EARTH ENVIRONMENTAL SERVICES

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To register contact Ms Aili Iipinge, info@earth-es.com.na,
For technical information contact: Ms. Emerita Ashipala, emerita@earth-es.com.na

EARTH ENVIRONMENTAL SERVICES

NOTICE OF BIDS

NAMPORT

The Namibian Ports Authority (Namport) hereby invites bids through the Request For Proposal (RFP) procedures for:
(i) The Engineering Consulting Services in Road- and Land Infrastructure; and
(ii) Feasibility & Safety study for simultaneous operations (SIMOPS) at two existing fuel import jetties at the North Port for the Namibian Ports Authority.

Bid Reference Number	Brief Description	Pre-bid Conference	Last Day for Clarification Requests	Closing Date
CS/RFP/NAMPORT-3683/2025	Engineering Consulting Services in Road- and Land Infrastructure at the North Port, for the Namibian Ports Authority	Non-Compulsory Pre-bid meeting on 12 December 2025 @10h00 AM	08 January 2026	28 January 2026@ 12h00 PM (Virtual Bid Opening Link available on website)
CS/RFP/NAMPORT-3686/2025	Feasibility & safety study for simultaneous operations (Simops) at two existing fuel import jetties, Port of Walvis Bay – North Port, Namibia	Non-Compulsory Pre-bid meeting on 11 December 2025 @10h00 AM	12 January 2026	30 January 2026@ 12h00 PM (Virtual Bid Opening Link available on website)

1. Bids are invited through the Request for Proposal (RFP) procedure, and the invitation is open to all eligible bidders. All Bidders must comply with the requirements outlined in the bidding document.

2. Interested eligible bidders are requested to visit the Namport website at https://www.namport.com.na/procurement for details of the bidding requirements. Bidders must register as suppliers, express interest in a specific bid, to be granted access to the bidding documents.

3. A Non-compulsory Pre-Bid meeting is scheduled for **12 December 2025 AT 10H00 AM** for **CS/RFP/NAMPORT-3683/2025** and **11 December 2025 AT 10H00 AM for CS/RFP/NAMPORT-3686/2025.** The meetings will be held at Executive Boardroom, Namport Head Office, Walvis Bay. Bidders should take note that the virtual meeting link is also available on the website for bidders that would like to join the meeting virtually.

ALL enquiries related to this bid must be directed in writing by email to the following contact details:

Procurement Manager
Melani de Klerk
Tel: +264 208 2319
Email: m.deklerk@namport.com.na

Acting Tender and Contracts Administrator
Debby Sylvester
Tel: +264 208 2450
Email: d.sylvester@namport.com.na or procurement@namport.com.na

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