



REPUBLIC OF NAMIBIA

MINISTRY OF LABOUR, INDUSTRIAL RELATIONS AND EMPLOYMENT CREATION

MEDIA RELEASE

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CABINET ENDORSES NATIONAL MINIMUM WAGE

Cabinet has endorsed the Minister of Labour, Industrial Relations and Employment Creation's decision to issue a Wage Order to introduce the National Minimum Wage (NMW), effective January 2025. The National Minimum Wage is set at N\$18.00 per hour and is subject to review after two years of implementation.

Hon. Utoni Nujoma appointed a Wages Commission on NMW in February 2021 who conducted a nationwide investigation to investigate all relevant industries; report and make recommendations to the Minister on a proposed NMW, which shall apply to all employees, except to related categories of employees specifically exempted by the Minister in a Wage Order, and on related supplementary minimum conditions of employment.

The introduction of the NMW does not replace the bargaining power as it simply aims to set a floor Wage, especially for the most lowly paid employees. It is prohibited for employers to reduce wages of their employees and therefore employers who are currently paying more than the anticipated NMW must not reduce the salaries of their workers to N\$18.00 per hour. The NMW is barely MINIMUM and not a ceiling wage.

Currently, there is only minimum wages (i.e. Collective Agreements and Wage Order respectively) in Security, Agriculture, Construction and Domestic (for Domestic Workers). Other sectors have no minimum wages and have been subjected to "offer and take" wages, which in most cases is very low.

For Domestic Workers, the NMW will be phased in incrementally over a period of three (3) years, whereby they will be paid N\$12.02 per hour during the first year of the introduction of the NMW; N\$15.01 per hour in the second year and subsequently an amount of N\$18.00 per hour in the third year. Domestic Workers are currently paid a minimum of N\$9.03 per hour as per the Wage Order for Domestic Workers.

Employees in the Agricultural Sector who are currently paid a minimum of N\$6.00 per hours plus pay in-kind as per the Collective Agreement in the Agricultural Sector will be paid N\$10.00 per hour in the first year, N\$14.00 per hour in the second year and N\$18.00 per hour in the third year, exclusive of in-kind payments. A Notice will be issued in a Government Gazette in July 2024 with full details of the NMW.

Once implemented, the NMW will help in improving the wages of the lowest-paid workers; reducing income inequality; alleviating poverty and improving individual and household income; and achieving a decent standard of living for all.

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