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Namibia QER Q2 2025

Namibia Quarterly Economic Review April-June 2025

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Quarter Summary

Macroeconomic Situation

Namibia's economic recovery, which started in the second quarter of 2021, continued with sixteenth consecutive quarters of positive growth culminating in growth of 2.7% in the first quarter of 2025. In its Economic Outlook of April 2025, the Bank of Namibia revised forecast GDP growth to 3.8% in 2025 and 4.0% in 2026. The Bank of Namibia announced the fourth successive cut in the repo rate on 12 February 2025 bringing it down to 6.75%, its lowest level since January 2023 and this did not change during the second quarter. In the Bank of Namibia's latest statement in June, the MPC said its decision to keep the repo unchanged "will continue safeguarding the one-to-one link between the Namibia Dollar and the South African Rand while supporting domestic economic activity."

The Bank of Namibia Monetary Policy Announcement Dates for 2025

12 February 2025
16 April 2025
18 June 2025
13 August 2025
15 October 2025
3 December 2025



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The Online Guide to the Namibian Economy

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GDP Change **+4.5%** Inflation **3.6%** Repo Rate **6.75%** Budget Balance **-4.6%** of GDP Public Debt **62.0%** of GDP Private Non-Mining Investment **6.3%** of GDP

2025 forecast (BoN) February 2025 since 12 February 2025 FY25/26 budget FY25/26 budget 2024

Latest Public Documents



The Road to 2030



Economic Scenarios to 2030

by

Robin Sherbourne

24 February 2026

Economic Scenarios to 2030

- IPPR paper financed by Embassy of Ireland at end of last year
- Term of office and Vision 2030
- Pessimistic and Optimistic Scenarios
- Sector by sector analysis
- Informed by “Investment Tracker”
- 10 big “things to look out for”
- Ridiculous to try and tell the future but...
- Provoke thinking rather than provide answers

But First A Quick Quiz...

Question: What is Namibia's population growth rate?

Answer: 3%

What is average growth rate from 1990-2025?

Answer: 3.4%

What is average growth rate from 2000-2025?

Answer: 3.4%

What is average growth rate from 2010-2025?

Answer: 2.7%

What is average growth rate from 2020-2025?

Answer: 1.8%

Population

- 3,022,401 in 2023 compared to 2,113,077 in 2011
- growth rate of 3.0% a year from 2011 to 2023 - more than double the growth rate of 1.4% for the previous period 2001 to 2011
- 525,000 larger in 2023 than it would have been if it had grown at the previous rate of 1.4% from 2011
- with 3.7 people per square kilometre Namibia is now third rather than the second lowest population density in the world (after Mongolia and Australia)
- 3.7 million by 2030 (and 4.0 million by 2033)

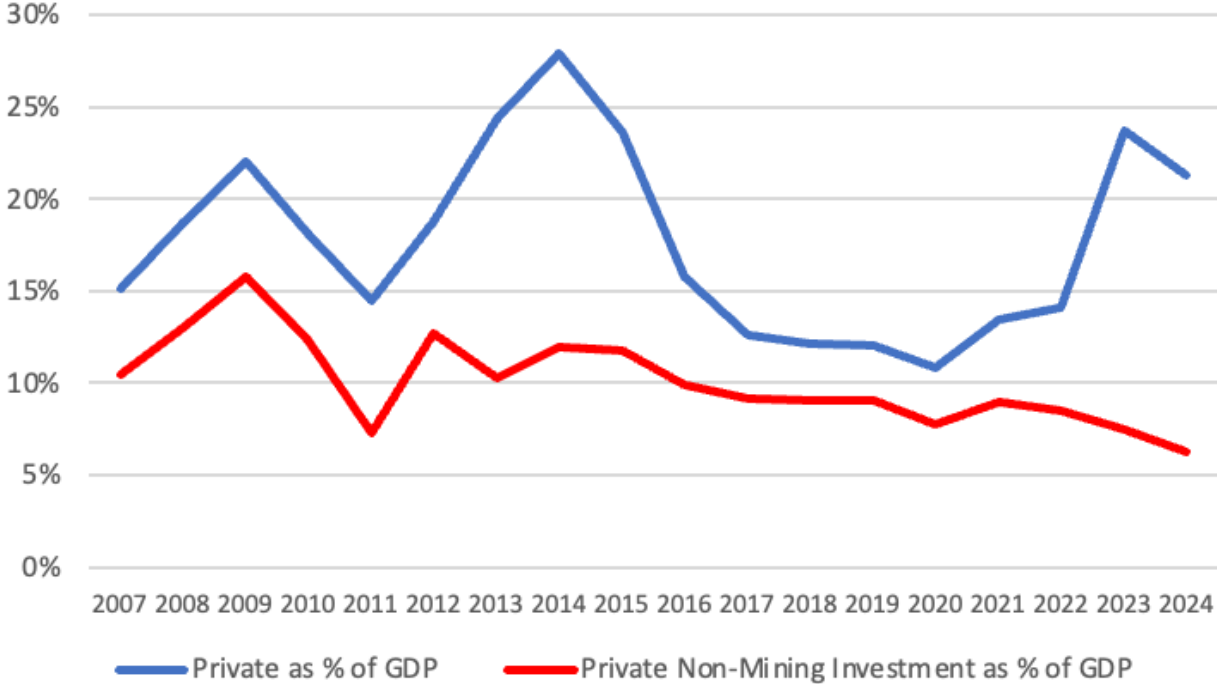
Income Classification by World Bank

Category	GNI per capita
Low income	Less than US\$1,135
Lower middle income	Between US\$1,136 and US\$4,495
Upper middle income	Between US\$4,496 and US\$13,935
High income	Above US\$13,935

In 2024 Namibia's GNI per capita = US\$4,240 (far from US\$13,935)

NDP6 targets 7% growth and US\$6,400 by 2030

Low Growth Is No Great Mystery



The World Is Changing

"A country has no permanent friends or enemies, only permanent interests"

Lord Palmerston

"There are decades where nothing happens; and there are weeks where decades happen."

Vladimir Ilyich Lenin

"With great power comes great responsibility."

Spiderman

"If you're not at the table, you're on the menu."

Mark Carney



The World Is Changing...

- President Donald Trump until 20 January 2029 (third term?)
- New US Fed Chair (Kevin Warsh) from 15 May 2026 (US inflation and US Dollar)
- US “reciprocal tariffs” (15%?)
- AGOA (until end of 2026?)
- China tariffs (and Renminbi as rival reserve currency)
- EU-SADC Economic Partnership Agreement
- Climate change (> 2% temperature rise by 2050)
- Energy transition continues (EU target to import 10 million tonnes of green hydrogen by 2030)
- Lab-Grown Diamonds (Synthetics)
- AI, “white collar” jobs and productivity growth
- Stable oil price and “peak oil” (US and China)
- “Peak globalisation” (“A world of fortresses will be poorer, more fragile and less sustainable.”)
- BRICS
- No pandemic
- No changes to SACU and AfCFTA
- ANC 56th Congress in December 2027 and President Ramaphosa until May 2029

What does all this mean for Namibia? Are we “on the menu?”

- Small, open economy dependent on trade with the world
- Failed to integrate into global value chains during period of “high globalization”
- “A friend to all and an enemy to none”
- “Dominant party democracy” happy to embrace dictatorships and one-party states
- Member of Non-Aligned Movement pushing for “multi polar world”
- An “all weather friend of China” – One China Policy, uranium, infrastructure, ICT, RE hardware, military hardware, political links, etc
- Talking to Russia and China about our nuclear ambitions
- Love Russia, Cuba, Venezuela, Palestine, Iran?, North Korea? BRICS? Although we hardly trade with any of them
- Suspicious of US and EU
- EU most important export market (by value and diversification) and oil majors and gh₂ are mostly European
- First and foremost African and member of AU and AfCFTA (although we hardly trade with the continent outside of South Africa and Botswana)

Domestic Politics

- Term of office 21 March 2025 to 21 March 2030
- President Nandi-Ndaitwah majority 58% (Geingob 56% in 2019)
- SWAPO majority 53% (65% in 2019) + 8 appointees
- 4 new “super ministries” plus many new individuals (ministries, PEs, Eds)
- SWAPO Congress in 2027 (VP election)
- President now 73 (will be 77 and 82 while Nujoma 60, Pohamba 69, Geingob 73, Mbumba 82)
- Will Parliament become more active and influential?

Monetary Policy

- Common Monetary Area, Rand legal tender, 1:1 peg with Rand, capital flows, South African GDP 30 times larger than Namibia's GDP
- South African Reserve Bank 3-6% inflation target since 2000 (we target peg)
- South African Reserve Bank now targeting 3% inflation (+/-1%)
- 59-year-old Lesetja Kganyago appointed by President Zuma in 2014 and reappointed by President Ramaphosa in 2019 and 2024 until 8 November 2029 (after national elections)
- President Nandi-Ndaitwah appointed Ebson Uanguta for 5-year term from 1 January 2026

Domestic and International Environment

New Governor of the Bank of Namibia from 1 January	SWAPO Congress		Presidential and Parliamentary Elections in Namibia in November	New government in Namibia from 21 March Namibia's population reaches 3.7 million Vision 2030 deadline
2026	2027	2028	2029	2030
New chair of the US Federal Reserve Bank from 15 May US Congressional Elections on 3 November	ANC Congress in December	US Presidential Elections on 7 November	National Elections in South Africa in May New Governor of the South African Reserve Bank from 9 November	EU target to import 10 million tonnes of green hydrogen

A Word About Policy...

- SWAPO Manifesto “**Unity in Diversity: Natural Resources Beneficiation and Youth Empowerment for Sustainable Development**” (September 2024) and commitment to spend N\$85.7 billion over five years on “Priority Projects” to create 256,538 jobs (or half a million?)
- SWAPO Manifesto Implementation Plan (SMIP) (February 2025)
- Sixth National Development Plan (NDP6) “Fostering Economic Growth, Inclusiveness and Resilience for Sustainable Development 2025/26 to 2029/30” (July 2025)
- Which one takes priority? How realistic are they? What happens if commitments are not achieved?

A Word About Policy...

NDP6 sets the following macroeconomic “Desired Outcomes”:

Desired Outcome 0101

By 2030, Namibia will be a resilient middle-income economy, underpinned by inclusive, diversified, and sustainable growth. (US\$6,500 per capita by 2030)

Desired Outcome 0102

By 2030, achieve 7 percent or more annual economic growth rate.

Desired Outcome 0103

By 2030, achieve employment rate of 75 percent from 63.1 percent in 2023.

Ten Big Changes

Number 1: Fishing

The reallocation of fishing rights following the review of 162 right holders granted in 2012 by 31 December 2026 and 300 right holders granted in 2020 by 30 May 2027.

Number 2: Mining

Who will own De Beers (and therefore 50% of Namdeb Holdings) by end of this year?

Number 3: Oil and Gas

TotalEnergies FID for Venus in 2026 and Mopane in 2028 as part of “golden province”

Rhino FID in “late 2026 or early 2027”

Shell?

But what is our strategy? UPU, legislation, Local Content Policy, stabilization agreement, oil refinery, moratoriums on PELs

Number 4: Manufacturing (excluding Green Hydrogen)

How Meatco will respond to competition from Savanna Beef Namibia.

Number 5: Green Hydrogen

Will Cleanergy and Hylron (and Zhero) reach commercial scale?

And Hyphen?

Energy transition policies in the EU and EU commitment, including the Ports of Antwerp and Rotterdam, to Namibia.

Number 6: Water

New Erongo Sunam desalination JV (Namwater 30% Swakop Uranium 70%) by end of 2026?

Number 7: Transport and Storage

Namibia's strategy to become gateway to Southern Africa with competitive port and road infrastructure, but need to move freight onto rails and TransNamib's ability to become a competitive rail freight operator.

Number 8: Information and Communication

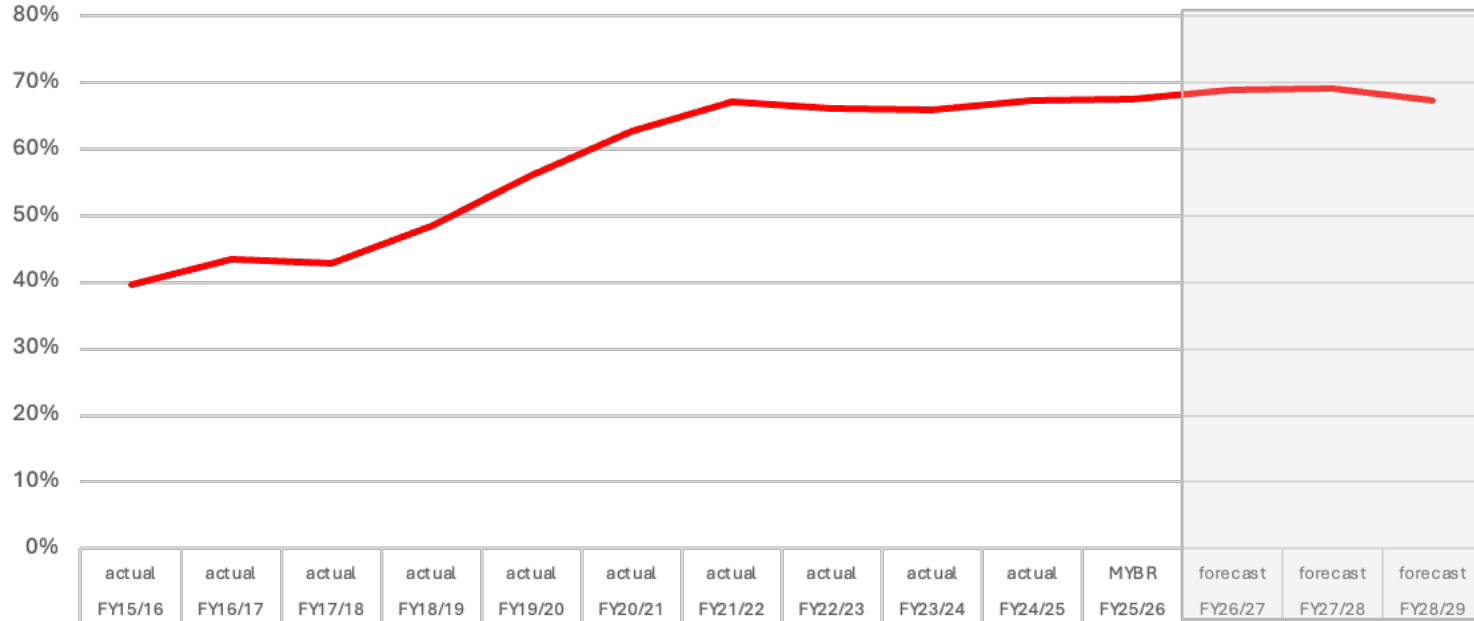
Whether Starlink is granted a licence to enter the Namibian market.

Number 9: AI in Namibia

How will AI effect Namibia's labour market? And the President's commitment to free tertiary education?

Number 10: Fiscal Policy

Total Debt (as % of GDP)



Number 10: Fiscal Policy

Before oil and gas FID and after oil and gas FID

Significant oil revenues only by mid-2030s

Before...

Economic populism or fiscal responsibility?

Primary budget surplus, comprehensive medium-term revenue strategy, public expenditure reviews, limited foreign borrowing

After...

Borrow on strength of future revenues?

New Regulators

- Office of the Access to Information Commissioner
- Namibia Energy Regulatory Authority (draft NERA Bill)
- Nuclear regulator (Nuclear Institute of Namibia – NDP6)
- Namibia Investment Promotion Agency (draft NIP Bill)
- Teaching Regulator (Manifesto)
- Petroleum Regulatory Agency (SMIP)
- Upstream Petroleum Unit (UPU)
- Office of the Commissioner of Equitable Economic Empowerment (draft NEEEB)
- Office of Whistleblower Protection

Conclusions

- Lots of investment opportunities
- Lots of (foreign) capital waiting to be invested
- Lots we can't control (mineral prices, Donald J Trump, climate change)
- But we can control policy and our own economic actions
- We've wasted lots of time (35 years?)
- There's a high road and a low road to 2030
- You can't hurry love...or force investment

By 2030 A New Vision 2050 May Be Coming Into View...

By the next presidential and parliamentary elections Namibia is likely to be nearing FO:

- Use oil and gas revenues to expand the public sector and employ as many people as possible
- Use oil and gas revenues to invest in productive infrastructure and skills in rest of economy whilst ensuring oil and gas does not damage competitiveness of other export industries

See You In 2030!

