

# **“Everyone Has A Plan Until They Get Punched In The Face.”**

State of the Namibian Economy 2025

by

Robin Sherbourne

20 August 2025

# State of the Namibian Economy 2025: Plug for IPPR QER

QER	Feature	No.
Q4 2018	Reforming Namibia's Commercial State-Owned Enterprises	1
Q1 2019	Namibia's National Budget 2019/20	2
Q2 2019	Namibia's Public Debt	3
Q3 2019	Namibia's Economic Policy and Performance Since 2015	4
Q4 2019	Namibia's Record on Employment and Unemployment	5
Q1 2020	Foreign Direct Investment	6
Q2 2020	The High-Level Panel on the Namibian Economy	7
Q3 2020	Namibia's Diamond Dream	8
Q4 2020	2020: A Year Like No Other	9
Q1 2021	Namibia's National Budget 2021/22	10
Q2 2021	Namibia's Tourism Sector	11
Q3 2021	A Basic Income Grant for Namibia	12
Q4 2021	Green Hydrogen and Namibia	13
Q1 2022	Attracting Foreign Direct Investment	14
Q2 2022	Meeting the Challenges of Oil and Gas	15
Q3 2022	The Challenge of Rising Inflation	16
Q4 2022	Namibia's Public Debt Revisited	17
Q1 2023	Namibia's Electricity Supply	18
Q2 2023	Land Reform Statistics	19
Q3 2023	History of Namcor	20
Q4 2023	Public Enterprise Reform	21
Q1 2024	Election Budgets since Independence	22
Q2 2024	Update on Namibia's Tourism Sector	23
Q3 2024	Namibia's Economic Policy and Performance Since 2020	24
Q4 2024	Going Nuclear	25
Q1 2025	Promises Promises: The SWAPO Manifesto Implementation Plan	26
Q2 2025	Grasping the Nettle of Tertiary Education	27



## Namibia QER Q2 2025

Namibia Quarterly Economic Review April-June 2025

Quarter Summary	Special Feature:	News Highlights	Key Economic Variables	Data Trends
1	Grasping the Nettle of Tertiary Education	2	10	14
			14	17

### 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



The Namibia Quarterly Economic Review is compiled by the Institute for Public Policy Research and is financially supported by the Hanns Seidel Foundation. It is available to download from [www.ippr.org.na](http://www.ippr.org.na). The opinions expressed herein do not necessarily reflect those of the Hanns Seidel Foundation.

1



# State of the Namibian Economy: The Story So Far



**Waiting for Namibia's Great Leap Forward**  
State of the Namibian Economy 2022  
Robin Sherbourne  
28 September 2022

[namibian@economics](#)

State of the Namibian Economy: How We Got Here and Where We Are Going on 28 September 2022 made three points:

1. Since 2016 economic performance has been poor – why?
2. Because economic policy-making design and implementation has been poor with economic considerations relegated to political and ideological ones (amply documented in “Guide to the Namibian Economy”)
3. Two major developments on the horizon - oil and gas as well as green hydrogen – with potential to shift economic dial (hence “Great Leap Forward”)

# State of the Namibian Economy: The Story So Far



State of the  
Namibian Economy  
2023  
A Fork in the Road



State of the Namibian Economy: A Fork in the Road on 22 August 2023 made three points:

1. The economy had almost recovered from Covid
2. Slow and confused policy development in advance of massive foreign investments
3. Policies we design and implement in next year or two will determine future trajectory (hence “fork in the road”)



# State of the Namibian Economy: The Story So Far



## Will It Be The Economy Stupid?

State of the Namibian Economy 2024

by

Robin Sherbourne

29 August 2024



State of the Namibian Economy: Will It Be the Economy Stupid? On 29 August 2024 made three points:

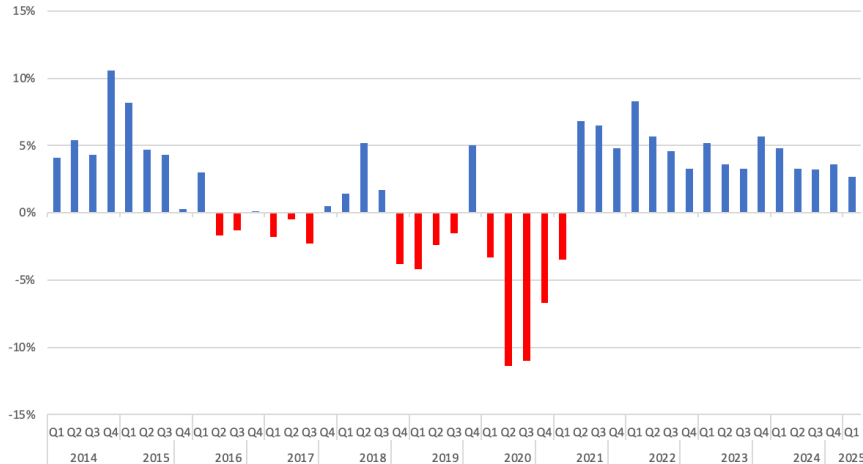
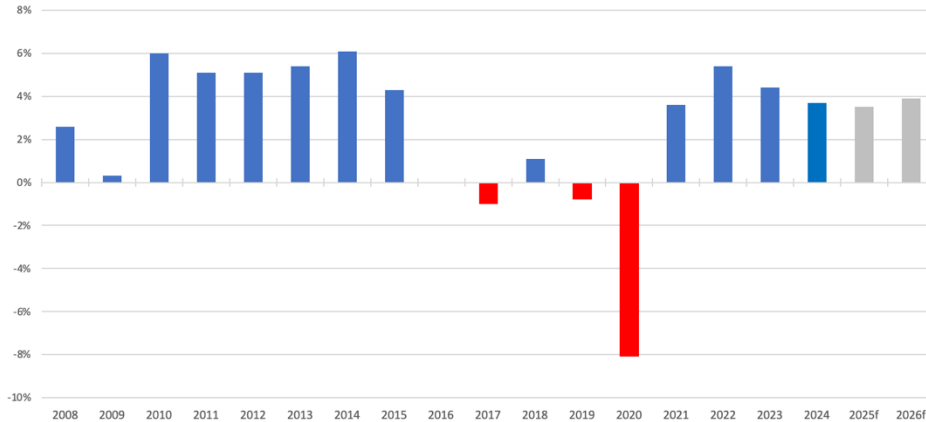
1. Asked if economic performance will affect the election outcome
2. The 2019 election was unusual because of falling average incomes
3. Concern over investment environment



# State of the Namibian Economy 2025

- Review latest economic indicators
- Review key events since last presentation
- Review policy developments
- Examine oil and gas, green hydrogen, and diamonds
- Look ahead to coming year

# Economic Indicators: Growth



Recovered from Covid hit with modest growth ahead

2023 Census says population is growing by 3% rather than 1.4% a year.

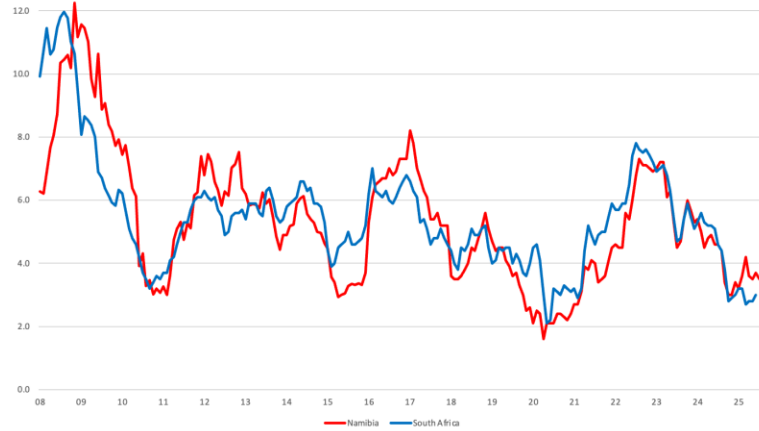
Namibia reclassified from Upper to Lower Middle Income Country by World Bank.

Moves away from Vision 2030 High Income Industrialised Country.

Bank of Namibia forecasting growth at 3.5% in 2025.



# Economic Indicators: Monetary Policy

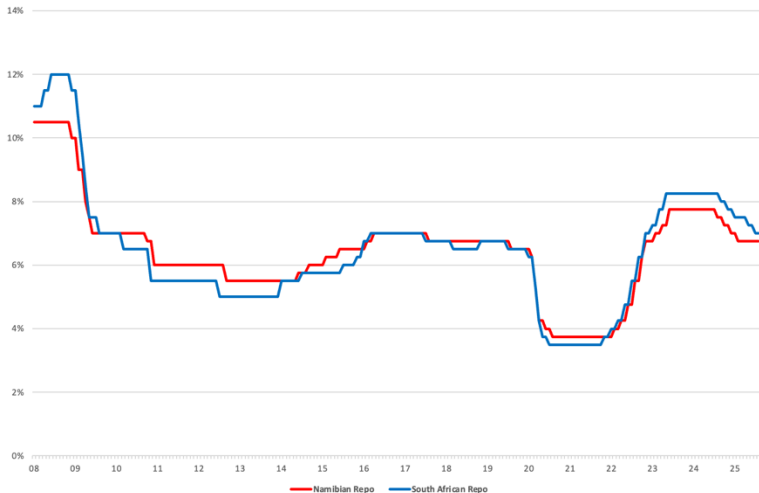


Inflationary pressures falling after Covid and Russia's full-scale invasion of Ukraine.

SA inflation is now back within its target band of 3%-6%.

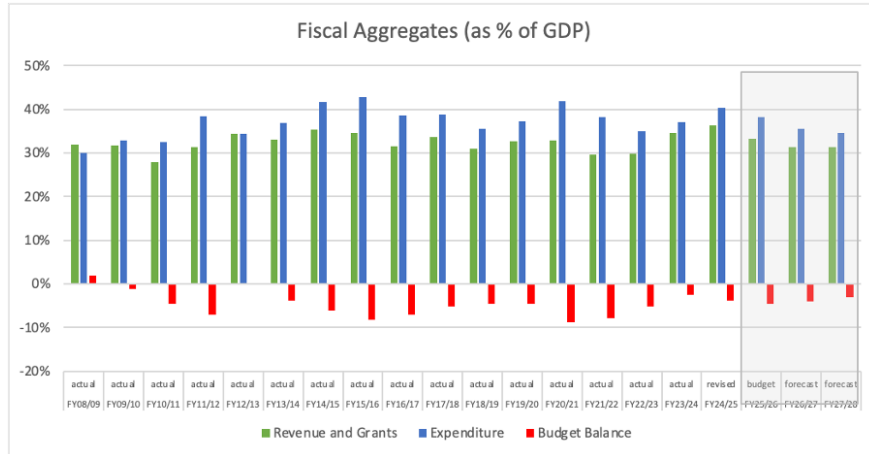
SARB now targeting lower end of band with view to entrenching 3% target.

Namibian repo down from 7.50% in August 2024 to 6.75% in August 2025.





# Economic Indicators: Fiscal Policy



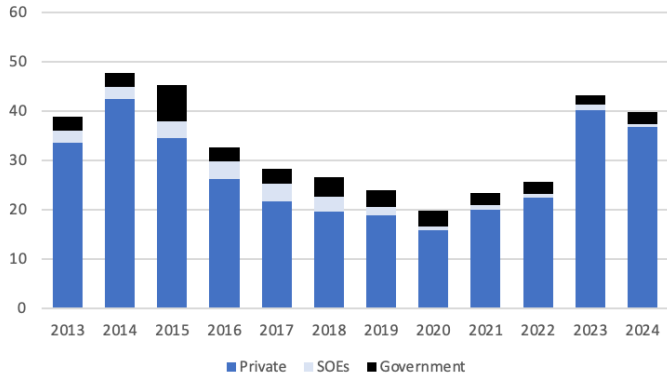
Very much a business as usual.  
Budget tabled on 27 March 2025

“Pursue long-term fiscal sustainability through prudent fiscal management and ensuring sustainable budget deficits and public debt.”

“In the interest of pursuing fiscal sustainability and debt stabilisation, we aim to maintain a primary surplus.”

Continued reduction in non-mining corporate tax rate to 28% by FY26/27.

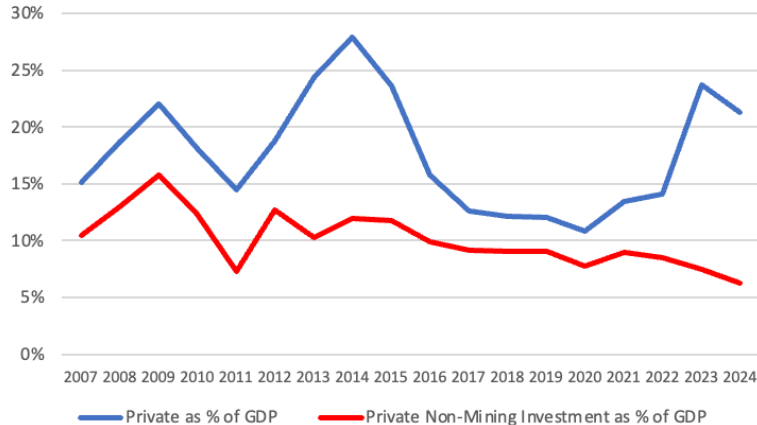
# Economic Indicators: Investment



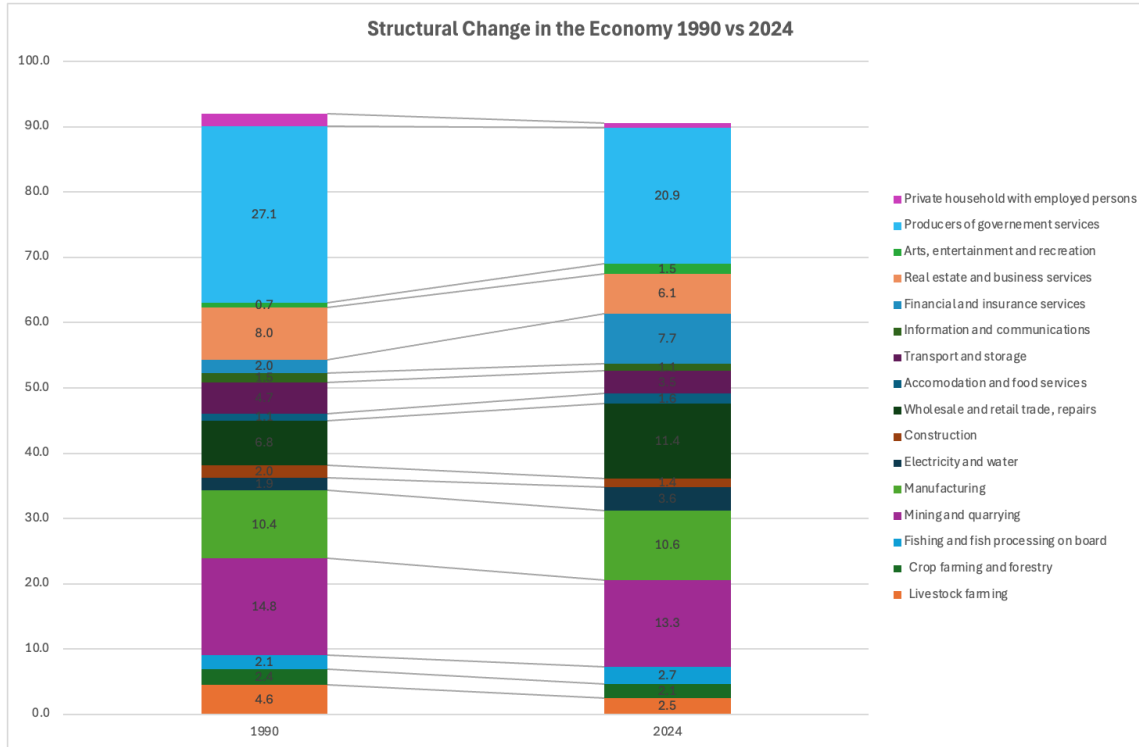
Private sector investment outside of mining and oil and gas continues to fall – why?

Underlines the importance of improving the investment climate.

Dutch Disease already happening before First Oil (FO).

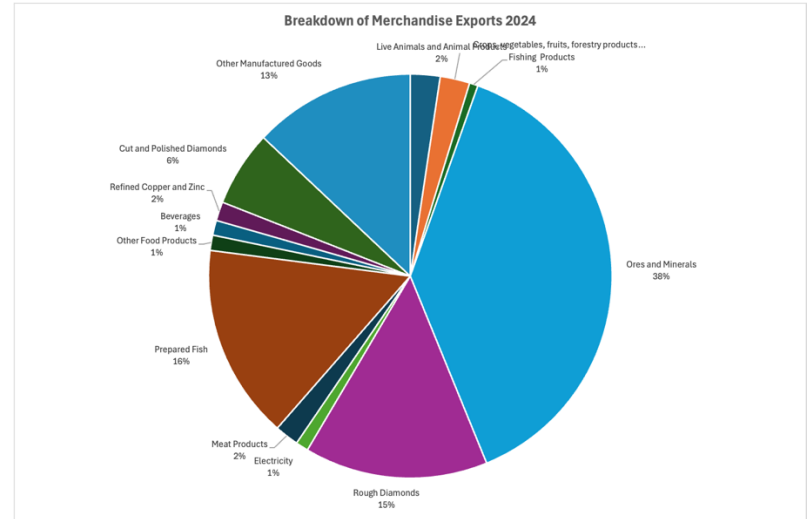
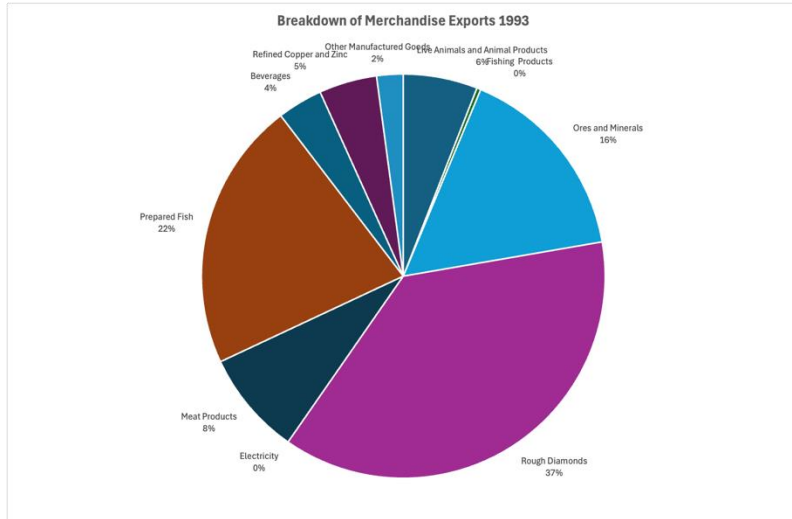


# Growth: Let's Take A Closer Look



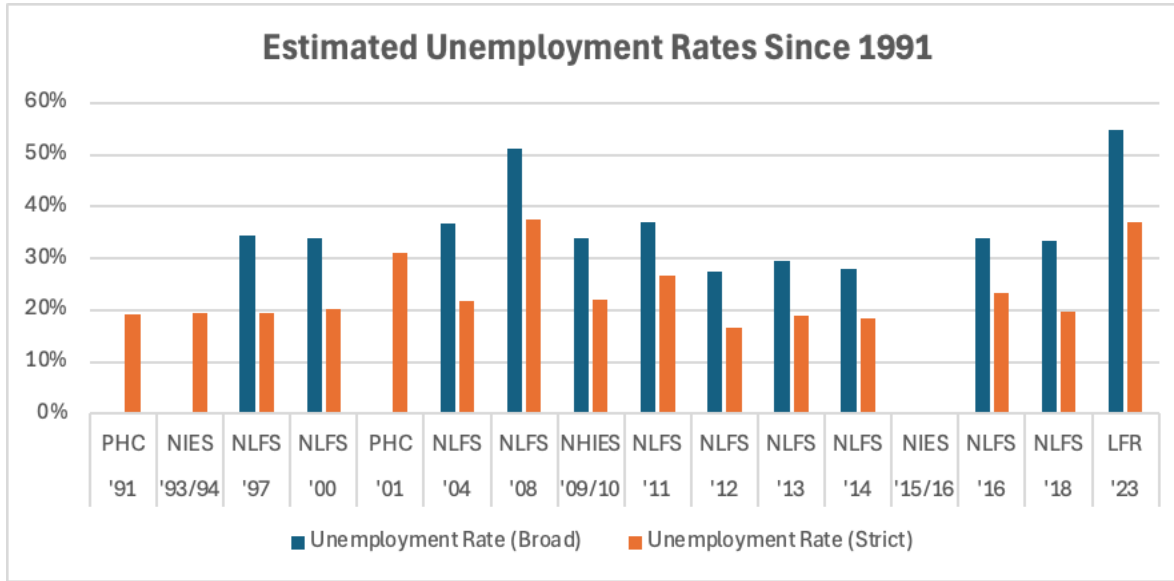
Little significant structural change in the economy over 35 years.

# Exports: Let's Take A Closer Look



The goods (and services) we sell to the rest of the world has hardly changed over 35 years.

# Employment: Let's Take A Closer Look




Employment has declined and unemployment has risen, especially if Potential Labour Force is taken into account.

**My Thesis: An insufficiently attractive investment climate leads to low rates of private sector investment and FDI which leads to low growth, limited structural change and export diversification, resulting in insufficient job creation.**

# Review of Key Events Since Last Presentation

# Highlights 29 August 2024 – 20 August 2025

Date	Good	Bad	Hard to Say
8 September	China General Nuclear Power to build second desalination plant		
10 September	NamPower contracts Chinese companies to build largest solar pv plant		
15 September		HyRail project paused	
24 September			President Mbumba encourages Elon Musk to bring Starlink to Namibia
2 October	Namcor announces restructuring		
7 October	Access Bank granted provisional licence		
17 October	Minimum wage announced		



# Highlights 29 August 2024 – 20 August 2025

Date	Good	Bad	Hard to Say
24 October	President Mbumba inaugurates Daures GHV		
29 October	Namibia ranked 6th in Africa by Mo Ibrahim		
30 October			BDP loses power in Botswana
1 November	TIL handover at Namport container port		
13 November	Halliburton opens facility in Namibia		
19 November	Statista rates Namibia's roads best in Africa		
23 November	Baker-Hughes launches first mud plant in Walvis Bay		

# Highlights 29 August 2024 – 20 August 2025

Date	Good	Bad	Hard to Say
27 November	Namibian presidential and parliamentary elections		
28 November			Starlink ordered to cease in Namibia
4 December			Cabinet approves upstream local content policy
4 December	EU top export destination		
24 December			Climate Fund Managers take 24% in Hyphen
14 January	TransNamib to buy new locomotives		
18 January		Security guard shot dead during armed robbery at NAMDIA	

# Highlights 29 August 2024 – 20 August 2025


Date	Good	Bad	Hard to Say
29 January			Labour Force Report released by NSA
30 January		Trump administration freezes aid to Namibia	
5 February		TotalEnergies delays FID until 2026	
8 February		Founding Father passes away	
22 February		Anglo American reduces carrying value of De Beers	
21 March	President Ndaitwah sworn in		
27 March	Newly appointed Minister of Finance tables budget		

# Highlights 29 August 2024 – 20 August 2025

Date	Good	Bad	Hard to Say
2 April	Trump administration announces “Liberation Day” reciprocal tariffs		
11 April	President Ndaitwah inaugurates Oshivela Hylron		
25 April			President Ndaitwah announces free higher education
26 April			TotalEnergies CEO visits President Ndaitwah
27 April		Minister of Agriculture resigns after arrest	
23 May			President appoints upstream advisors in new UPU
6 June		Sinomine halts production	



# Highlights 29 August 2024 – 20 August 2025

Date	Good	Bad	Hard to Say
12 June	China announces it will eliminate tariffs on 53 African countries		
24 June		President Ndaitwah announces NIPDB to MIRT	
1 July	Namibia makes first shipment under AfCFTA		
2 July		Namibia reclassified as Lower Middle Income by World Bank	
9 July	Indian PM Modi visits Namibia		
11 July			ACC makes 11 Namcor arrests
5 August		Minister announces 51% requirement for mining sector (NDP6)	

# Review of Policy Environment

# Audience Quiz

# Everyone Has a Plan...we have three!

Issue	Manifesto	Implementation Plan	NDP6
Oil and Gas	Ownership, Refinery, Local Content	Ownership, PRA, at least 30% carry for state	150mmboe, 22,800 jobs
Mining	MBS, Epangelo, MDF	Ownership	51% to 60% Namibian ownership 57% exports processed Revitalised MDF
Free Higher Education	None	Dissolve NSFAP and offer free higher and vocational education	Transform NSFAP 20% to 50%
Fiscal Policy	Fiscal sustainability, SWF	Fiscal sustainability	None
Investment Climate	SEZs	Investment Promotion and Facilitation Bill 2021	PSLGIs, Business Environment



# Everyone Has a Plan...QER Q1 2025

- Flawed economic strategy based on value addition of minerals (hence MIME) – but what value to which minerals?
- Focus on state projects – Air Namibia, Meatco, Green Scheme, nuclear energy
- Focus on public sector jobs
- Backed by research and analysis?
- Hard to distinguish between genuinely new and existing initiatives
- No emphasis on the business and investment environment (NIPFA but NEEB, Minerals Act?)
- No emphasis on public enterprise reform (MOFPE to MOF)
- Green hydrogen downgraded

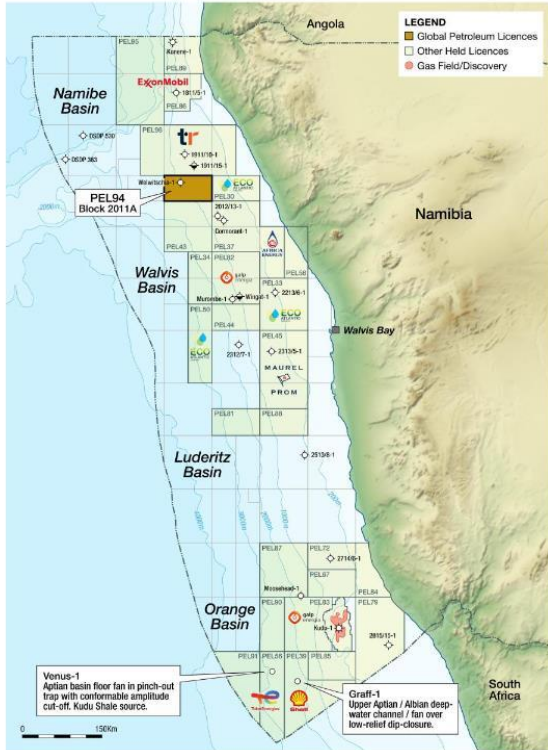
# Minerals Beneficiation

- Diamonds
- Uranium
- Gold
- Copper
- Zinc
- Lead
- Tin
- Iron
- Lithium
- Salt
- Marble
- Cement
- Diamond cutting and polishing
- Yellow cake
- Rand Gold Refinery in South Africa
- Has been smelting in Tsumeb
- Has been SHG zinc at Skorpion
- Nothing
- Nothing
- Maybe DRI
- Nothing
- Some final products
- Some semi-finished products
- Some final products

NB: The following mines are under care and maintenance: Okorusu Fluorspar, Namib Lead and Zinc, Trekkopje Uranium, Matchless and Otjihase Copper, Skorpion Zinc (Chamber of Mines of Namibia)

# Oil and Gas, Green Hydrogen, Diamonds

# Oil and Gas Summary



Key oil and gas points:

1. Door closing on new oil and gas projects (IEA 2021)
2. Rhino discovery adds to Shell, TotalEnergies and Galp discoveries
3. Orange Basin technically challenging (far from shore and deep under ocean)
4. Gas as well as oil (and BW Energy's Kudu)
5. Oil faster than gas but onshore gas potential (Qatar)
6. Limited jobs but significant revenues to Government
7. Could be a blessing but depends on how resource is managed – resource curse
8. FID by 2026 not 2025

# Oil and Gas Summary: Drilling Record

<b>Shell (45%)</b> <b>QatarEnergy (45%)</b> <b>Namcor (10%)</b>	<b>TotalEnergies (50.5%)</b> <b>QatarEnergy (30%)</b> <b>Impact (9.5%)</b> <b>Namcor (10%)</b>	<b>Galp (80%)</b> <b>Custos (10%)</b> <b>Namcor (10%)</b>	<b>Rhino (42.5%)</b> <b>Azule (42.5%)</b> <b>Korres (5%)</b> <b>Namcor (10%)</b>	<b>Chevron (80%)</b> <b>Trago (10%)</b> <b>Namcor (10%)</b>
<b>PEL39</b>	<b>PEL56</b>	<b>PEL83</b>	<b>PEL85</b>	<b>PEL90</b>
Graff 1X La Rona 1X Jonker 1X Graff 1A Jonker 1A Lesedi 1X <b>Cullinan 1X</b> Jonker 2A Enigma 1X	Venus 1X Venus 2X Nara 1X (PEL91) Venus 1A Mangetti 1X Venus 2A Tamboti 1X Marula 1X	Mopane 1X Mopane 2X Mopane 1A Mopane 2A Mopane 3X	Sagittarius 1X Capricornus 1X Volans 1X	<b>Kapana 1X</b>
9 wells	8 wells	5 wells	3 wells	1 Well

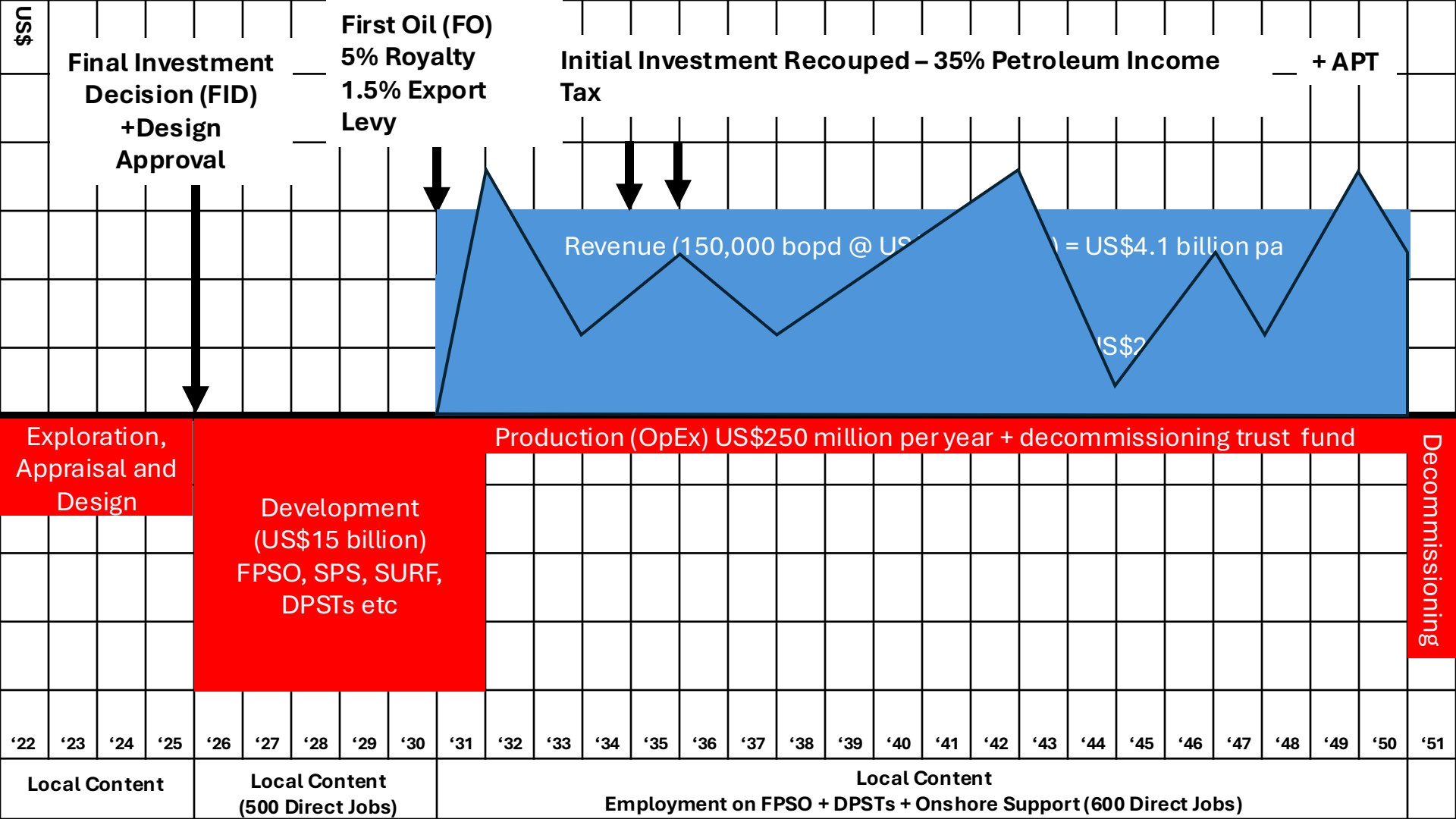
## A Punch in the Face – Shell writes down US\$400 million



# Oil and Gas Policy Developments

A few words about oil and gas policy:

1. New Upstream Petroleum Unit in Office of the President
2. Kornelia Shilunga and Carlo McLeod charged with “reviewing Namibia’s current petroleum regulatory framework and proposing governance policies for the upstream petroleum sector.”
3. Petroleum Commissioner still in Ministry of Industries, Mines and Energy
4. Namcor in trouble
5. Oil refinery + “at least 30% state carry” + local content (15%) + Petroleum Regulatory Agency...
6. No Gas Masterplan and gas reinjection
7. Welwitschia SWF legislation
8. EITI membership
9. Talk of transparency but...





**Whatever Happens They Have Got  
the Capital, Skills and Risk Appetite and We Have Not**

# Green Hydrogen Summary

- HyIron (Oshivela inaugurated by President Ndaitwah on 11 April 2025)
- Cleanergy Solutions Namibia (was end Q1 2024 now “mid-2025”)
- Enersense – Dâures (Green Hydrogen Village inaugurated by President Mbumba on 21 October 2024 but not yet producing gh2)
- Hyphen (Phase 1: end 2027 and Phase 2: 2029 latest update “FID earliest end of 2026 but subject to market conditions”)
- HDF (“by late 2025”)
- Kaoko Green Energy Solutions (with AW-Energy – gone quiet)
- Fortescue Future Industries (SCDI and Dâures and Cleanergy)
- HopHydro (under the radar)
- Greengo Energy (under the radar)
- Chiffon (under the radar)

# Green Hydrogen Developments

A few words about green hydrogen policy:

1. Namibian pilot project(s) up and running
2. Collaboration with Rotterdam and Antwerp on track
3. Implementation Authority Office under James Mnyupe in operation
4. SWAPO Manifesto and Implementation Plan hardly mentioned green hydrogen (but NDP6...)
5. Green hydrogen commission website out of date
6. Internationally honeymoon is over (FFI's Mark Hutchinson: "The market didn't turn up." green hydrogen guru Michael Liebreich: "If you actually care about the climate, do not produce green hydrogen.", Saudi's Neom struggling to find off-takers, EU Green Hydrogen Bank facing questions)
7. It's (mostly) about cost!

# A Punch in the Face – Green Hydrogen



# Diamonds Summary

A few words about our diamond mining industry:

1. Namdeb Holdings (Namdeb and Debmarine Namibia), NDTC, diamond cutting and polishing companies (Dash and TaTe), NAMDIA (non-De Beers)
2. Contribution to GDP, Exports, Tax Revenue, Employment + skills + CSR
3. Anglo American plans to sell De Beers
4. De Beers is sitting on huge stockpiles
5. Consumers are switching to Lab-Grown Diamonds in the US (half the market)
6. EU and G7 are imposing sanctions on Russian diamonds
7. Botswana is talking about a majority stake in De Beers
8. NAMDIA ready to take on 50%?
9. Namdeb Sales and Marketing Agreement due to expire next year

## A Punch in the Face - Diamonds



# SACU and Reciprocal Tariffs...

Country	Liberation Day	From 7 August	Share of Direct Exports
Botswana	37%	15%	1.0% (deficit)
Eswatini	10%	10%	1.4% (deficit)
Lesotho	50%	15%	14.5% (surplus)
Namibia	21%	15%	2.6% (deficit)
South Africa	30%	30%	7.5% (surplus)

+ African Growth and Opportunity Act (AGOA) due to expire at the end of September 2025



# A Punch in the Face – Reciprocal Tariffs





# The Coming Year...

- Donald Trump in office until (at least) 2029, the inexorable advance of AI, and the recalibration of green transition policies
- Monetary policy affected by new SARB 3% target
- Little fiscal policy headroom for Manifesto, SMIP, and NDP6 promises
- Free tertiary education and the impact on graduate employment
- A deal on diamonds and the impact on Namdeb
- Delays in the run up to an oil and gas Final Investment Decision (FID)
- A pause in mining (and oil and gas?) investment while 51% is clarified
- No significant reform of public enterprises
- No significant improvement in investment climate and a further decline in non-extractive private sector investment

# Robin Sherbourne's 10-Point Manifesto

- Focus on improving the investment environment and raising private sector investment by appointing a powerful Minister of Investment (or “real NIPDB”)
- Focus on creating effective “start up culture” ecosystem
- Reform Public Enterprises (as per QER Q4 2023)
- Drastically reduce the corporate tax rate
- Scrap burdensome regulations
- Improve quality of primary education
- Introduce free higher education but link to demand for skills in economy
- Reform and reduce size of the public sector
- Raise state pension and introduce cash grants for unemployed
- Reach “guest worker” deal with Germany

# Will Government's Plans Survive Contact with Reality?

