

# Namibia QER Q4 2024

Namibia Quarterly Economic Review

October-December 2024

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## Quarter Summary

### Macroeconomic Situation

Namibia’s economic recovery, which started in the second quarter of 2021, continued with fourteen consecutive quarters of positive growth culminating in growth of 2.9% in the third quarter of 2024. In its Economic Outlook of December 2024, the Bank of Namibia revised forecast GDP growth to 3.5% in 2024, 4.0% in 2025 and 4.4% in 2026.

The Bank of Namibia followed the reduction in the key repo rate to 7.50% in August with two further cuts in October and December bringing the repo down to 7.00% by the end of the year. In the Bank of Namibia’s latest statement in December, the MPC “noted the most recent slowdown in inflation and welcomed the medium-term inflation outlook that remained well contained.”

### The Bank of Namibia Monetary Policy Announcement Dates for 2024

14 February 2024
17 April 2024
19 June 2024
14 August 2024
23 October 2024
4 December 2024

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## Presidential and Parliamentary Elections

Presidential and National Assembly elections took place on 27 November 2024 although, notably, voting was extended until Saturday 30 November in certain parts of the country after counting had already started and some results had been made public. The full election results were announced on Tuesday, 3 December giving SWAPO presidential candidate Netumbo Nandi-Ndaitwah (“Triple N”) 58% of the vote (obviating the need for a further round of voting) and SWAPO 53% of the parliamentary votes which translates into 51 seats in the 96 seat National Assembly (plus another 8 presidential appointees), the party’s poorest result since 1989. Turnout at 77% was high by historic standards.

Of note were “Triple N” becoming Namibia’s first female president elect, the divergence between the proportion of votes for her and her party, and the fact that SWAPO once again has a reduced majority in the National Assembly below the two-thirds threshold required to change the Constitution. The Independent Patriots for Change (IPC) take the place of the People’s Democratic Movement (PDM) to become the official opposition. On 13 December the IPC and LPM launched a case with the Supreme Court to have the election results annulled.

### Special Feature: Going Nuclear

#### Introduction

Among the many commitments contained in the 2024 SWAPO Manifesto was one on page 18 concerning nuclear power:

*“Train and develop professionals in the nuclear field as the foundation for Nuclear Power generation to realise the production of medical isotopes, food production, and energy supply.”*

This has been followed by related commitments in the SWAPO Implementation Plan described under Critical Economic Enablers on page 40:

*“Conduct a feasibility study to explore the development of the nuclear energy plant” (by June 2026)*

These commitments hark back to an earlier debate which took place in the late 2000s which was based on the logic that Namibia should add value to its uranium resources and convert and enrich uranium to power nuclear power stations, including in Namibia. Insight Namibia magazine was the first to address the issue in an article entitled “Namibia’s Nuclear Option”, published in November 2006.

At a speech to the Chamber of Mines of Namibia 2007 gala dinner, economist Robin Sherbourne stated the following:

“Uranium represents a rather more special case. While it is not true to say that uranium is exported in raw form – uranium ore undergoes a fairly sophisticated process of transformation into yellow cake on site prior to export – the next stage of value addition involves uranium conversion and enrichment, a highly regulated, technology and skill intensive process, which to my knowledge, takes place on a commercial scale in only five countries. Job creation for low-skilled workers is minimal. The bottom line is that having uranium deposits is of relatively minor importance in the energy security equation. Most countries in the world do not believe the economics stack up as far as conversion and enrichment are concerned. I cannot think of a reason why this would be different for Namibia.”

In November 2017, the IPPR published a report on [minerals beneficiation in Namibia](#) by three local economists: Cheryl Emvula, Robert McGregor, and Rowland Brown. The report investigated uranium conversion and enrichment (pages 28-29) and concluded (page 44):

“Other activities, such as uranium conversion and enrichment, face inhibitory capital investment, global overcapacity and fluctuating commodity prices.”

This short feature updates some of these arguments, sets out some basic facts about the nuclear industry and sets out what Namibia would probably need to do if it decided to go nuclear. It only deals with uranium as a nuclear fuel.

### **Namibia’s Uranium Mines**

Uranium represents the most common fuel used in nuclear power stations. Namibia currently has three operational uranium mines. Husab opened in 2016 and is owned by China General Nuclear Power Corporation with 10% owned by Epangelo Mining. Rossing opened in 1976 and is majority-owned by China National Uranium Corporation. Langer Heinrich, which opened in 2007 but is still ramping up production after being under care and maintenance from 2018 to 2024, is 75% owned by Paladin Energy and 25% by China National Nuclear Corporation. A fourth mine, Orano’s Trekkopje mine, has been under care and maintenance since it was completed in 2011. Several new uranium mines are being planned.

### **Namibia as a Uranium-Producing Country**

The advent of Husab has resulted in Namibia becoming the third largest uranium-producing country in the world in 2022 after Kazakhstan and Canada and ahead of Australia, Uzbekistan, Russia and Niger. Over the past decade, Kazakhstan has been the world’s largest uranium producer by some distance.

### **Uranium Mining, Conversion and Enrichment**

The World Nuclear Association (WNA) provides a good description of what is involved in [uranium conversion and enrichment](#). Uranium oxide (often described in the trade as “yellow cake”  $U_3O_8$ ) is the product that leaves the mine. Uranium is found in small amounts in most rocks, and even in seawater. Uranium mines operate in many countries, but more than 85% of uranium is produced in six countries: Kazakhstan, Canada, Namibia, Australia, Niger, and Russia. It is worth noting that of these countries, only Canada and Russia have nuclear industries.

Historically, conventional mines (open pit or underground) were the main source of uranium. After mining, the ore is crushed in a mill, where water is added to produce a slurry of fine ore particles and other materials. The slurry is leached with sulphuric acid or an alkaline solution to dissolve the uranium, leaving the remaining rock and other minerals undissolved.

However, over half of the world's uranium mines now use a method called in-situ leaching, where the mining is accomplished without any major ground disturbance. Water injected with oxygen (or an alkali, acid or other oxidising solution) is circulated through the uranium ore, extracting the uranium. The uranium solution is then pumped to the surface. This is the proposed method of mining at [Russian Rosatom’s \(Uranium One or Headspring Investments\) uranium mine near Leonardville](#) in the Omaheke region and which has raised concerns about potential pollution of an all-important aquifer.

The uranium solution from the mines is then separated, filtered and dried to produce uranium oxide concentrate ( $U_3O_8$ ), often referred to as “yellowcake”.

The vast majority of nuclear power reactors use the isotope uranium-235 as fuel; however, it only makes up 0.7% of the natural uranium mined and must therefore be increased through a process called enrichment. This increases the uranium-235 concentration from 0.7% to between 3% and 5%, which is the level used in most reactors.

A small number of reactors, most notably the CANDU reactors from Canada, are fuelled with natural uranium, which does not have to be enriched.

The enrichment process requires the uranium to be in a gaseous form. This is achieved through a process called conversion, where uranium oxide is converted to a different compound (uranium hexafluoride  $UF_6$  or “hex”) which is a gas at relatively low temperatures.

The uranium hexafluoride is fed into centrifuges, with thousands of rapidly spinning vertical tubes that separate uranium-235 from the slightly heavier uranium-238 isotope. The centrifuges separate the uranium into two streams: one stream is enriched in uranium-235; the other consists of ‘tails’ containing a lower concentration of uranium-235 and known as depleted uranium (DU).

The enriched uranium is transported to a fuel fabrication plant where it is converted to uranium dioxide powder. This powder is then pressed to form small fuel pellets and heated to make a hard ceramic material. The pellets are subsequently inserted into thin tubes known as fuel rods, which are then grouped together to form fuel assemblies. The number of fuel rods used to make each fuel assembly ranges from around 90 to well over 200, depending on the type of reactor. Once loaded, the fuel normally stays in the reactor core for several years.

About 27 tonnes of uranium – around 18 million fuel pellets housed in over 50,000 fuel rods – is required each year for a 1,000 MWe pressurised water reactor. In contrast, a coal power station of equivalent size requires more than two and a half million tonnes of coal to produce as much electricity.

Only five countries in the world operate commercial conversion plants: Canada, China, US, France and Russia. The US employs the “dry” process of conversion while the other countries employ the “wet” process.

#### Estimated World Primary Conversion Capacity and UF<sub>6</sub> Production 2022

Company	Country	Location	Licensed Capacity (tU)	UF <sub>6</sub> Production (tU)
Cameco	Canada	Port Hope	12,500	10,600
CNNC*	China	Lanzhou and Hengyang	15,000	10,500
ConverDyn	US	Metropolis	7,000	0
Orano	France	Pierrelatte, Malvesi	15,000	8,900
ROSATOM*	Russia	Seversk	12,500	12,500
Total			62,000	42,000

\*estimated

Source: WNA

Uranium enrichment is strategically sensitive and capital intensive, creating significant barriers to entry for any new supplier. Hence, there are relatively few commercial enrichment suppliers operating a limited number of facilities worldwide.

There are three major producers at present: Orano, Rosatom, and Urenco operating large commercial enrichment plants in France, Germany, the Netherlands, the UK, the US, and Russia. China National Nuclear Corporation (CNNC) is a major domestic supplier and is pursuing export sales. In Japan and Brazil, domestic fuel cycle companies manage modest supply capability. Elsewhere, small non-safeguarded facilities are subject to international opposition.

## World Enrichment Capacity 2022 (excluding India, Pakistan, Iran)

Company	Country	2022	2030	2050
CNNC	China	8,900	10,000	17,000
Orano	France, Germany, Netherlands, UK, US, Russia	7,500	7,500	7,500
Rosatom	Russia (4 sites)	27,100	27,100	27,100
Urenco	Netherlands, Germany, UK, US	17,900	17,900	17,900
Other	Brazil, Japan	100	400	800
Total		61,500	62,900	70,300

Source: WNA

In 2022, the enrichment market was impacted by Russia’s full-scale invasion of Ukraine. Many utilities, particularly in Europe and the US, tried to diversify their nuclear fuel supply or even cancel deliveries of fuel from Russia. In this context, in July 2023, Urenco confirmed plans to add 700,000 SWU/yr new enrichment capacity at the US plant, with the first new cascades online in 2025. Orano is studying possibilities to expand its enrichment capacity.

The [WNA’s reactor database](#) shows that there were 439 operable nuclear reactors worldwide in 2023 producing 9% of the world’s electricity. A further 66 reactors are under construction.

The top ten countries with the highest net operable nuclear reactor capacity are: the US, France, China, Japan, Russia, South Korea, Ukraine, Canada, India and Spain in that order.

At the beginning of 2025, only one country in Africa had an operating nuclear reactor and that was South Africa. Its 1,860MW Koeberg nuclear plant was built in the 1970s by Framatome of France and has been operating generally successfully ever since 1984 as part of Eskom’s fleet of power stations.

A nuclear power station is currently under construction in Egypt, only the second in Africa after Koeberg. The El Dabaa plant is a Russian design and being built by Rosatom which will also supply fuel over its entire life cycle. Egypt has a long history of nuclear cooperation with Russia going back to the 1950s. The aim is to have all four units operational by 2031.

### Small Modular Reactors (SMRs)

Nuclear power has never lived up to its promise of being “too cheap to metre”. Historically, any country seeking to exploit nuclear energy is subject to a far greater degree of international regulations and scrutiny than applies to other forms of energy due to the possibility of accidents and vulnerability to terrorism. Furthermore, nuclear reactors have been expensive and prone to significant cost and construction overruns. To underline the difficulties, South Africa has not built a second nuclear plant since the two units at Koeberg was completed in 1984 and 1985. Admittedly, under President Zuma South Africa was on

the verge of signing a US\$76 billion nuclear agreement with Russia in 2015 but this was dropped after Zuma was replaced. Historically, most observers have argued that the nuclear option was too big, too expensive, too technically demanding, and involved too much regulation for a country the size of Namibia.

But technology has moved on and many are pinning their hopes on Small Modular Reactors (SMRs) as the way forward.

In 2019 Russia connected the Akademik Lomonosov—an experimental ship-borne SMR—to its power grid. China, which has more big reactors under construction than anywhere else, hopes to have its first commercial SMR operating in Hainan by 2026. Last year the UK government said it would accelerate plans to build 16 SMRs designed by Rolls-Royce. NuScale Power, an American firm, hopes its first SMR, to be built at Idaho National Laboratory, will be providing power by 2029. The International Atomic Energy Agency reckons “about 50” SMR designs are being worked on around the world.

As the name suggests, SMRs are smaller than standard nuclear plants. Typically, they are intended to produce less than 300MW of electricity, roughly a fifth of what a standard reactor might manage. Their size means that, as with cars, toasters and tin cans, their developers aim to use mass production in factories to cut costs.

NuScale, Rolls-Royce and the China National Nuclear Corporation, which is building the plant in Hainan, are sticking with tried-and-tested designs. All their proposed plants are light-water reactors (LWRs), which use ordinary water both to cool the core and to moderate the speed of the nuclear chain-reaction. Since most of the world’s existing reactors are also LWRs, they hope sticking with the same general design will speed up regulatory approvals.

Other designs are more exotic, relying on molten lead or sodium, or gaseous helium, instead of water, to cool their cores. X-Energy and U-Battery, American and British firms respectively, are betting on miniature helium-cooled reactors. These operate at much higher temperatures than LWRs. This means that, besides electricity, such reactors could also sell heat. Many industrial processes run at high temperatures. At the moment, that comes mostly from burning fossil fuels. They could even be used to produce hydrogen for energy storage via a process called thermochemical splitting, which employs heat rather than electricity to cleave water into oxygen and hydrogen. This represents a new way of producing green hydrogen as compared to the one currently being contemplated in Namibia.

This all sounds too good to be true. Nuclear power plants have been dominated by fundamental economics: the cost of building a nuclear power station rises more slowly than its power output. Whether mass production can overcome that disadvantage remains to be seen. The International Energy Agency points out that once the need for storage or backup generation is taken into account, renewables are more expensive than their price label suggests. And, as Russia’s invasion of Ukraine shows, energy policy must weigh factors

beyond just financial costs and benefits. Whether SMRs can help make nuclear power attractive again remains to be seen.

## Conclusions

It is understandable that Namibian politicians link uranium production with nuclear power and ask why not take advantage of being one of the world's top producers of uranium to become a user of nuclear power. The reality is that having uranium plays almost no role in developing the technology and skills necessary to produce nuclear fuel. That process is already dominated by major world powers and it is unlikely that Namibia can devote the resources required to move into a market with such high barriers to entry starting from zero.

There may, however, be advantages to developing the technical capacity so that the country is in a position to assess the fast-moving developments in the global SMR industry so that, come the time the technology matures, Namibia can be in a position to decide whether to opt for this technology and from which supplier. It is likely that even with SMRs, the technology will be tied up with thorny geopolitical and regulatory challenges. But it does no harm for any country to be in a strong position should ground-breaking technology become commercially available.

## News Highlights

Date	Highlight	Commentary
24 December	Climate Fund Managers takes 24% in Hyphen	Dutch-based investment manager Climate Fund Managers completed the acquisition of 24% in Hyphen Hydrogen Energy through its SDG Namibia One Fund.
4 December	EU top export destination for last 3 years (EU Delegation)	<a href="#">A study conducted by Robin Sherbourne for the EU Delegation</a> in Windhoek showed that the EU was Namibia's largest export market by value for the past three years.
4 December	Cabinet approves upstream local content policy	Cabinet approved an upstream local content policy for Namibia's nascent oil and gas industry.
4 December	Bank of Namibia cuts repo to 7.00% (Bank of Namibia)	The Monetary Policy Committee (MPC) of the Bank of Namibia decided to cut the key repo rate for the third time in a row to 7.00%, 75bps below the equivalent rate in South Africa.
3 December	ECN announces election results (ECN)	The Electoral Commission of Namibia (ECN) announced the results of the elections with Netumbo Nandi-Ndaitwah being declared president elect with 58% of the vote and SWAPO Party gaining 51 seats.
2 December	Galp makes light oil discovery (The Namibian)	Portuguese oil multinational Galp announced it had struck light oil and gas condensate at its Mopane 1X well in block PEL83.



2 December	Bank of Namibia revises growth forecast (BoN)	In its December Economic Outlook, the Bank of Namibia forecast that the economy would grow by 3.5% in 2024 and 4% in 2025.
28 November	Starlink ordered to cease in Namibia (Reuters)	Elon Musk's satellite internet provider Starlink was ordered to cease operating in Namibia from 26 November by the Communications Regulatory Authority of Namibia (CRAN) for not having a telecoms licence.
27 November	Namibians vote in presidential and parliamentary elections	Namibians voted in five-yearly presidential and parliamentary elections but shortages of ballot papers and long waits forced the Electoral Commission of Namibia to extend voting by three days. Election results were announced on 3 December.
23 November	Namibia launches first liquid mud plant (The Namibian)	Industrialisation and Trade Minister Lucia Lipumbu inaugurated Baker-Hughes liquid mud plant and cement bulk facility in Walvis Bay.
23 November	Savanna Beef back on track (The Namibian)	Construction of Savanna Beef's N\$300 million beef processing plant is back on track after unspecified delays in drawing down N\$150 million from the Industrial Development Corporation of South Africa.
21 November	NDTC says Namibian diamonds will survive synthetics (The Namibian)	In an interview with Desert Radio, Namibia Diamond Trading Company CEO Brent Eiseb acknowledged the rise of Lab Grown Diamonds but was confident natural diamonds would continue to maintain a unique place in the market for engagements and weddings.
19 November	Statista rates Namibian roads best in Africa (The Namibian)	A survey of business executives' perceptions by German online platform Statista ranked Namibian roads the best on the continent with a score of 5.57 out of 7. Egypt came second and Angola last.
15 November	Dongfang Electric International Corporation to build biomass plant (Xinhua)	China's Dongfang Electric International Corporation has been selected to build NamPower's 40MW Otjikoto biomass plant.
15 November	Kelp Blue to invest N\$3 billion (New Era)	Kelp Blue says it is set to invest N\$3 billion over the next 3-4 years to achieve kelp production of 50,000 tonnes a year from the cultivation of Giant Kelp off the coast at Lüderitz.
13 November	Halliburton opens facilities in Namibia (Halliburton)	US energy services giant Halliburton opened facilities in Windhoek, Walvis Bay, Swakopmund and Lüderitz to provide support services to the oil and gas industry. The facilities are expected to employ up to 200 Namibians.
11 November	Langer Heinrich ramp up delayed (Proactive)	Paladin Energy reduced its production forecast for Langer Heinrich uranium mine from 4-4.5 to 3-3.6 million pounds for FY2025 reflecting lower than expected output for October, seven months into a 21-month ramp-up period. Production is still expected to reach 6 million pounds in CY2025.
7 November	Otjikoto mine produces 52,131 ounces of gold in Q3 2024 (B2Gold)	B2Gold reported that its Otjikoto mine continued to outperform with quarterly output of 52,131 ounces of gold in Q3 2024 above expectations again due to higher-than-expected mill feed grade and mill throughput.

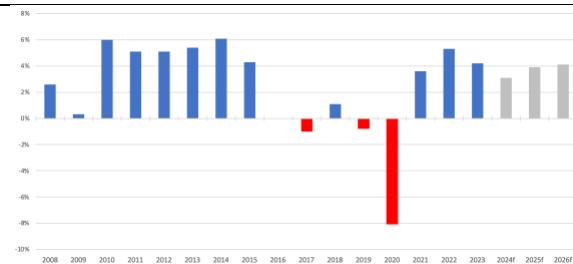
30 October	BDP loses power in Botswana	After 58 years in power since independence in 1966 the Botswana Democratic Party (BDP) under Mokgweetsi Masisi gained only 4 seats in national elections while the opposition Umbrella for Democratic Change (UDC) whose largest component the Botswana National Front both led by Duma Boko won a parliamentary majority with 36 seats in the 69-seat parliament. Power was peacefully transferred on 1 November when Boko was sworn in as president.
30 October	Minister of Finance lowers growth forecast	Finance Minister Iipumbu Shiimi revealed government had lowered its growth forecast from its February forecast of 4.0% in 2024 and 3.9% in 2025 to 3.6% and 5.4%.
29 October	Namibia ranked 6 <sup>th</sup> in African governance (Namibia Economist)	The Mo Ibrahim Index of African Governance for 2024 ranked Namibia 6 <sup>th</sup> out of 54 countries on the continent with a score of 63.9 out of 100. Namibia comes after Seychelles, Mauritius, Cabo Verde, South Africa and Botswana. Namibia exhibits a “slowing deterioration” in its trend.
28 October	Shiimi tables MYBR (MoF)	Finance Minister Iipumbu Shiimi tabled the Mid-Year Budget Review in Parliament which envisages revenue growing by N\$1.7 billion to N\$92.1 billion allowing slightly higher expenditure with the same deficit as February of 3.2% of GDP with a moderately improved primary surplus.
24 October	President Mbumba inaugurates Daures Village (New Era)	President Mbumba inaugurated the Daures Green Hydrogen Village near Uis. Daures is a partnership between Enersense Namibia, the Daures Daman Traditional Authority, and the Tiseb Conservancy. The project has benefited from a N\$220 million grant from the German government. As far as is known no green hydrogen is being produced at the site.
24 October	Namdeb produces 456,000 carats in Q3 2024 (AA)	Anglo American (AA) reported that Namdeb Holdings produced 456,000 carats in Q3 2024 compared to 561,000 carats in Q2 2024 and 530,000 carats in the same quarter of 2023. Out of the latest quarterly total 158,000 carats came from land-based operations.
17 October	Minimum wage increase announced (Xinhua)	Minister of Labour Utoni Nujoma announced an increase in the new Namibian minimum wage to N\$18 per hour effective from 1 January 2025. Domestic and agricultural workers will see their minimum wages rise to N\$18 per hour over the next three years.
16 October	Bank of Namibia cuts repo rate by another 25bp (Bank of Namibia)	The Monetary Policy Committee (MPC) of the Bank of Namibia decided to cut the key repo rate by 25 basis points for the second time in a row as inflation eased to a three-year low. The repo falls to 7.25% meaning the banking sector’s prime lending rate will fall to 11.00%. The Bank revised down its inflation forecast for the year to 4.3%.
14 October	AW-Energy’s WaveRoller receives EIA (Offshore Energy)	Finland-based AW Energy secured the approval of an Environmental Impact Assessment from the Ministry of Environment to deploy its WaveRoller ocean energy technology in Namibia.
7 October	Access Bank granted banking licence (The Cable)	Access Bank of Nigeria was granted a provisional banking licence by the Bank of Namibia. The bank already has

		operations in Angola, Botswana, Mozambique, South Africa and Zambia.
4 October	TIN handover delayed by 1 month (Namibia Economist)	Namport CEO Andrew Kanime announced that the handover of the container port to Terminal Investment Namibia (TIN) under a 25-year agreement would be delayed by a month until 1 November.
2 October	Namcor restructures (Windhoek Observer)	Namcor announced plans to restructure to improve profitability and competitiveness. This included paying N\$550 million to Gunvor, one of its key suppliers, which involved a sovereign guarantee of N\$1.2 billion. The company also announced that legal proceedings had been initiated against previous employees. The IPPR covered the chequered history of Namcor in a previous <a href="#">QER</a> .
1 October	Beef sector prepares for new EU regulations (New Era)	The Livestock and Livestock Products Board of Namibia is preparing beef, charcoal, hides and skins producers for new EU regulations which come into force on 1 January and are designed to eliminate beef imports that have been produced on deforested land.
1 October	Additional South African Airways flight (Xinhua)	Air Connect chair Bisey Uirab announced that South African Airways would lay on an additional third daily flight between Windhoek and Johannesburg from 27 October.
30 September	Fuel prices to fall (Namcor)	The Ministry of Mines and Energy announced that the price of petrol and 10ppm diesel will decrease by N\$1 per litre to N\$20.25 and N\$19.82 respectively from 2 October.

## Key Economic Variables

### GDP Growth (%)

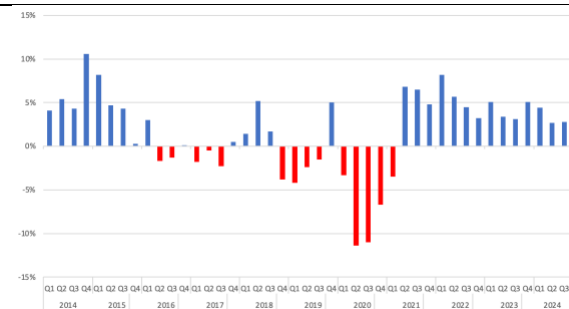
Source: NSA



The NSA published its estimates of GDP for 2023 which showed that GDP grew by 4.2% in 2023 after growing by 5.3% in 2022. The Bank of Namibia Economic Outlook for August 2024 forecast GDP growth down to 3.1% in 2024, 3.9% in 2025 and 4.1% in 2026.

### GDP Quarterly Growth (%)

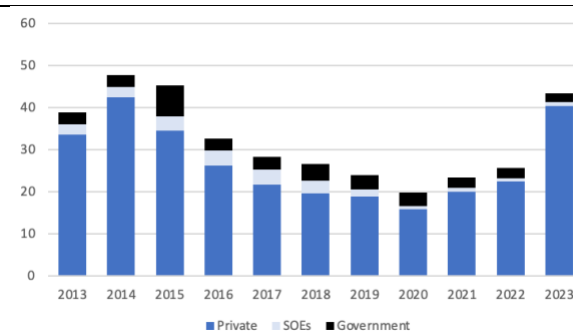
Source: NSA



GDP grew by 2.8% in the third quarter of 2024, the fourteenth successive increase in economic activity after the last quarterly contraction experienced in Q1 2021. The last two quarters have seen the slowest growth since growth resumed.

### Fixed Investment (N\$bn in 2015 prices)

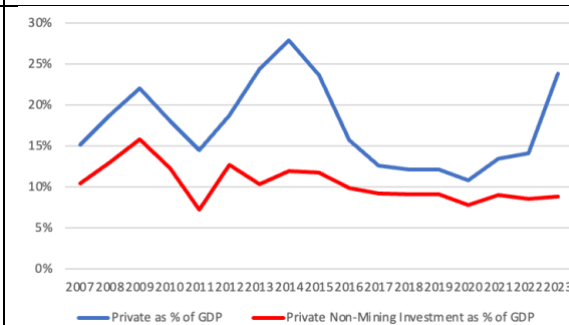
Source: NSA



Investment by the private sector rose significantly in 2023 on the back of oil and gas exploration.

### Private Fixed Investment (% of GDP)

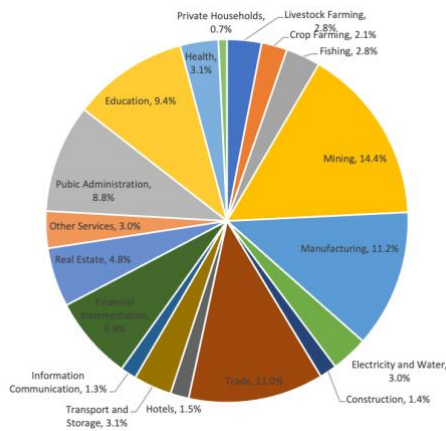
Source: NSA



Total private fixed investment rose significantly as a percentage of GDP in 2023 but private non-mining investment remained stagnant.

### Sectoral Breakdown of GDP in 2023 (%)

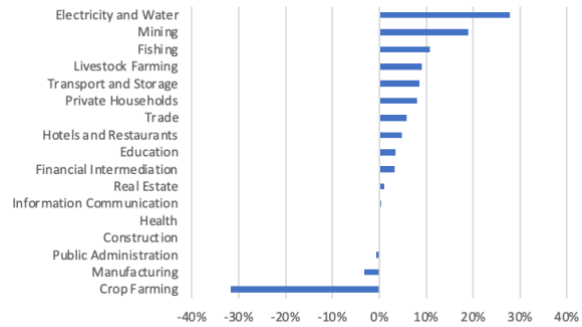
Source: NSA



The chart shows the contributions made to overall economic activity in 2023 by the different sectors of the economy according to the full national accounts. Service sectors contributed 53.5% while primary and secondary sectors contributed 22.1% and 15.6% respectively.

### Sectoral Growth in 2023 (%)

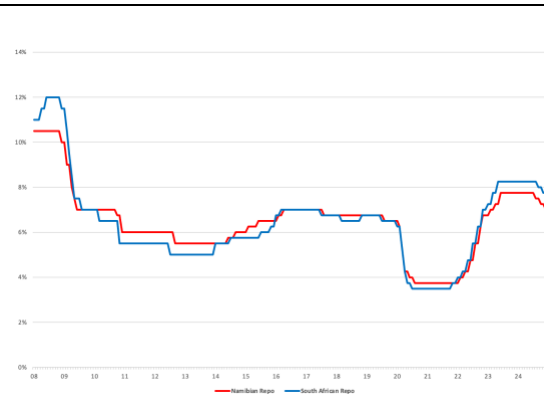
Source: NSA



Most sectors of the economy experienced positive growth in 2023 led by the electricity and water, mining and fishing sectors. However, the hard-hit construction sector is struggling to recover while crop farming suffered a significant contraction.

### Namibian and SA Repo Rates (%)

Source: BoN and SARB



In response to higher inflation primarily due to a more inflationary global environment, the Bank of Namibia started raising the repo rate in early 2022 but from June 2023 the rate remained constant until the MPC meeting in August 2024 when it was cut to 7.50%. Two successive cuts brought it down to 7.00% by the end of the year, 75bps below South Africa.

### Namibian and SA Inflation (% y-o-y)

Source: NSA



Namibian consumer inflation has fallen steadily from a peak of 7.3% in August 2022 to 3.4% by the year end, slightly higher than the 3% experienced in South Africa.

### Private Sector Credit Extension (% y-o-y)

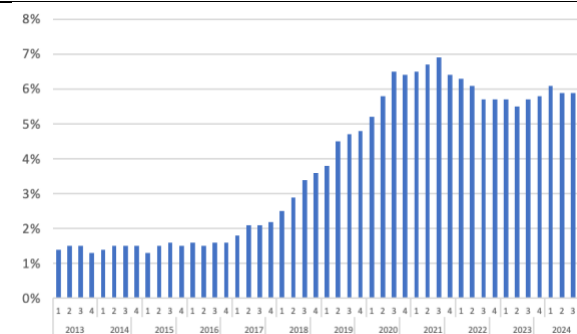
Source: BoN



Credit growth to business has risen since the lows of 2021 whilst credit to households has remained subdued as is residential mortgage lending.

### Non-Performing Loans (% of Total Loans)

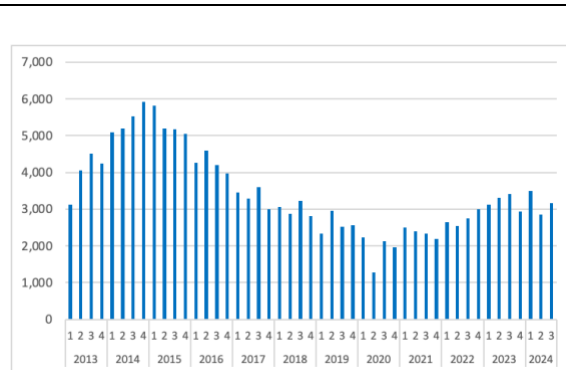
Source: BoN



The ratio of Non-Performing Loans (NPLs) reported by the commercial banks to the Bank of Namibia settled at 5.9% for Q2 and Q3 2024.

### New Vehicle Sales (Units Sold)

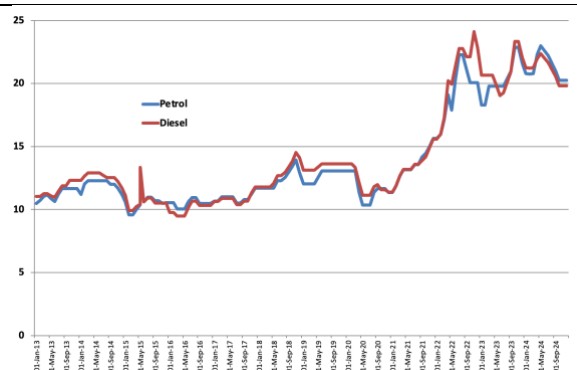
Source: BoN



The combined sales of new commercial and private vehicles rose from 2,858 in Q2 2024 to 3,155 in Q3 2024.

### Price of Petrol and Diesel (N\$/l)

Source: Namcor



Controlled petrol and diesel prices started Q3 2024 at N\$20.25 and N\$19.82 per litre respectively and remained unchanged until the end of the year.

## Data Trends

	Unit	2017	2018	2019	2020	2021	2022	2023
<b>Annual Economic Growth</b>								
GDP	%	-1.0%	1.1%	-0.8%	-8.1%	3.6%	5.3%	4.2%
GDP current prices	N\$m	171,570	181,067	181,211	174,243	183,292	205,549	227,831
Change in Mining Value Added	%	14.2%	16.1%	-8.7%	-15.0%	8.7%	24.0%	18.9%
Change in Manufacturing Value Added	%	-1.6%	-0.4%	4.7%	-17.1%	-1.2%	5.2%	-3.2%
<b>Fixed Investment</b>								
Fixed Investment	% of GDP	17.9%	16.9%	15.8%	13.7%	16.0%	16.7%	26.2%
Change in Fixed Investment	%	-13.7%	-6.0%	-9.5%	-17.7%	18.0%	10.0%	69.3%
Fixed Investment - Government	'000 N\$m	5,127	4,858	4,616	3,961	3,536	4,005	3,611
Fixed Investment - SOEs	'000 N\$m	4,068	3,678	2,034	1,048	1,263	1,314	1,863
Fixed Investment - Private	'000 N\$m	21,570	22,008	21,893	18,802	24,576	29,063	54,295
<b>Prices and Interest Rates</b>								
Average Inflation	%	6.1%	4.3%	3.7%	2.2%	3.6%	6.1%	5.9%
Year End Prime Lending Rate	%	10.50%	10.50%	10.25%	7.50%	7.50%	10.50%	11.50%
Year End Repo Rate	%	6.75%	6.75%	6.50%	3.75%	3.75%	6.75%	7.75%
<b>Trade and Balance of Payments</b>								
Exports - total goods	N\$bn	49.8	56.6	57.5	53.7	53.8	75.1	88.6
Exports - total services	N\$bn	7.9	8.4	8.4	5.0	4.8	7.9	10.3
Imports - total goods	N\$bn	73.8	75.2	77.0	66.5	84.0	108.0	120.9
Imports - total services	N\$bn	7.9	7.8	7.3	8.8	10.6	12.8	29.9
Trade Balance	N\$bn	-24.0	-18.0	-18.3	-16.7	-36.0	-37.9	-51.9
Balance of Payments	N\$bn	-8.0	-6.1	-3.8	5.0	-25.2	-30.1	-38.1
as % of GDP	%	-3.2%	-2.4%	-1.3%	3.8%	-12.6%	-13.8%	-15.7%
<b>Foreign Exchange</b>								
Year End Exchange Rate (N\$ to USD)	N\$	12.3930	14.4116	14.0418	14.6246	15.8899	16.9831	18.5826
Year End Exchange Rate (N\$ to EUR)	N\$	14.8063	16.4848	15.7437	17.9897	17.9794	18.1057	20.5839
Year End Exchange Rate (N\$ to GBP)	N\$	16.6789	18.3424	18.4383	19.9801	21.4752	20.4714	23.6984
Foreign Exchange Reserves	N\$bn	30.2	31.0	28.9	31.7	43.9	47.6	53.2
Fitch credit rating (at year end)		BB+ (stable)	BB+ (stable)	BB	BB (negative)	BB (negative)	BB- (stable)	BB- (stable)
Moody's credit rating (at year end)		Ba1 (-ve)	Ba1 (-ve)	Ba2 (stable)	Ba3 (negative)	Ba3 (negative)	B1 (stable)	B1 (stable)
<b>Financial Sector</b>								
Private Sector Credit Extension Growth	%	5.1%	6.6%	6.8%	2.0%	1.2%	4.2%	1.9%
Non-Performing Loans	% of total loans	2.9%	3.6%	4.8%	6.4%	6.4%	5.6%	5.9%
NSX Overall Index (at year end)	Index	1,206	1,303	1,306	1,232	1,572	1,639	1,624
NSX Local Index (at year end)	Index	591	621	614	456	529	507	672
New Local Listings		1	0	1	0	1	0	0
<b>Business Indicators</b>								
Namdeb Diamond Production	'000 carats	1,805	2,008	1,700	1,448	1,467	2,137	2,327
Uranium Production	tonnes	4,224	5,525	5,476	5,413	5,753	5,613	n/a
Gold Production	kg	7,272	6,171	6,526	6,254	7,103	6,992	9,800
SHG Zinc Production	tonnes	84,215	65,993	67,295	659	0	0	0
Mining Licences Granted	number	2	3	4	6	11	8	3
Exploration Licences Granted	number	174	259	297	243	97	56	97
Number of Companies Formed	number	1,110	2,851	1,153	852	n/a	1,153	n/a
New Vehicle Sales	number	13,352	11,998	10,379	7,606	9,414	10,919	12,775
Tourist Arrivals	'000	1,499	1,557	1,596	170	233	461	864
- From Africa	'000	1,091	1,164	1,252	112	163	256	621
- From Europe	'000	312	306	256	45	59	155	185
- From RoW	'000	97	87	89	12	11	50	58
International Arrivals at HKIA	'000	213	247	215	46	63	163	223
Regional Arrivals at HKIA	'000	242	239	223	45	64	134	173

		2017	2018	2019	2020	2021	2022	2023	2024
<b>Employment</b>									
Government		n/a	86,587	n/a	n/a	n/a	n/a	n/a	n/a
Parastatals		n/a	30,654	n/a	n/a	n/a	n/a	n/a	n/a
Private Companies		n/a	214,693	n/a	n/a	n/a	n/a	n/a	n/a
Private Households		n/a	70,036	n/a	n/a	n/a	n/a	n/a	n/a
Total		n/a	401,970	n/a	n/a	n/a	n/a	n/a	n/a
<b>Government Finances</b>									
		<b>FY 17/18</b>	<b>FY 18/19</b>	<b>FY 19/20</b>	<b>FY 20/21</b>	<b>FY 21/22</b>	<b>FY 22/23</b>	<b>FY 23/24</b>	<b>FY 24/25</b>
Revenue	N\$bn	58.7	55.9	58.4	57.8	55.4	64.4	81.1	90.4
Expenditure	N\$bn	67.5	65.3	66.6	73.7	71.3	75.4	89.5	100.1
Budget Balance	N\$bn	-8.9	-8.4	-8.2	-15.3	-14.8	-11.1	-7.8	-8.9
Public Debt	N\$bn	74.5	87.5	100.4	110.5	125.8	142.7	154.2	165.8
Interest Payments	N\$bn	5.4	6.3	7.0	7.4	7.7	9.4	11.8	12.8
Public Guarantees	N\$bn	11.0	10.9	11.1	10.1	10.3	9.4	9.1	9.3
Revenue	% of GDP	33.7%	30.9%	32.6%	32.8%	29.6%	29.8%	32.9%	32.8%
Expenditure	% of GDP	38.8%	35.5%	37.3%	41.9%	38.1%	35.0%	36.3%	36.3%
Balance	% of GDP	-5.1%	-4.6%	-4.6%	-8.7%	-7.9%	-5.1%	-3.2%	-3.2%
Public Debt	% of GDP	42.8%	48.4%	56.0%	62.7%	67.2%	66.2%	62.5%	60.1%
Interest Payments	% of revenue	9.3%	11.3%	11.9%	12.8%	13.9%	14.7%	14.6%	14.2%
Public Guarantees	% of GDP	6.3%	6.0%	6.2%	5.8%	5.5%	4.4%	3.7%	3.4%
		<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>International Rankings</b>									
Global Competitiveness Index Ranking		99/135	100/140	94/141	n/a	n/a	scrapped	scrapped	scrapped
Global Competitiveness Index		4.0	4.0	54.5	n/a	n/a	scrapped	scrapped	scrapped
Energy Transition Index Ranking		57/120	75/120	53/120	78/120	69/120	79/120	71/120	68/121
Energy Transition Index		53.6	53.0	56.3	52.7	55.0	53.8	53.6	64.5
Ease of Doing Business Ranking		108/190	106/190	107/190	104/190	scrapped	scrapped	scrapped	scrapped
Ease of Doing Business Index		59.57	60.29	60.53	61.4	scrapped	scrapped	scrapped	scrapped
Corruption Perceptions Index Ranking		53/180	52/180	56/180	57/180	58/180	59/180	59/180	59/180
Corruption Perceptions Index		51	53	52	51	49	49	49	49
Ibrahim Index of African Governance Ranking		8/54	7/54	7/54	8/54	8/54	n/a	6/54	n/a
Ibrahim Index of African Governance		65.2	65.2	64.2	63.6	63.3	63.6	63.9	63.9
Investment Attractiveness Index Ranking		54/91	60/83	55/76	52/77	59/84	38/62	n/a	n/a
Investment Attractiveness Index		60.67	56.66	58.22	59.72	52.59	59.88	n/a	n/a
Open Budget Index (out of 100)		50	n/a	51	n/a	42	n/a	54	n/a
World Press Freedom Index - Ranking		24/180	26/180	23/180	23/180	24/180	18/180	22/180	34/180

Sources: Anglo American, Bank of Namibia, Business and Intellectual Property Authority, Chamber of Mines of Namibia, Fitch Ratings, Fraser Institute, International Budget Partnership, Ministry of Environment and Tourism, Ministry of Finance, Mo Ibrahim Foundation, Moody's Investor Services, Namibia Airports Company, Namibia Statistics Agency, Namibian Stock Exchange, Reporters Without Frontiers, Transparency International, World Bank, World Economic Forum, World Nuclear Association

Note: On 16 September 2021 the World Bank issued a statement announcing it would discontinue its flagship Doing Business report. This followed a detailed investigation after data irregularities in Doing Business 2018 and 2020 were reported internally in June 2020. We will keep the Index and Rankings in our table for the time being.

Note: From QER Q4 2021 we have included the annual Energy Transition Index and Ranking produced by the World Economic Forum.