

# 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

## Special Feature: Grasping the Nettle of Tertiary Education

### Introduction

On 24 April 2025, in her inaugural State of the Nation Address, President Netumbo Nandi-Ndaitwah made the following announcements:

“QUALITY EDUCATION & TRAINING: Education is a tripartite partnership between the Government, parents and the learner/student. As a nation, we have a moral obligation to educate the Namibian Child. To derive cost savings and to maximize value to student beneficiaries, the Namibia Students Financial Assistance Fund (NSFAF) will be reintegrated back into the Ministry of Education, Innovation, Youth, Sports, Arts and Culture by October 2025.”

“Through the Universal Access to Education Policy, the Namibian Government has been providing free primary and secondary education in all public schools. While tertiary education in Namibia is already significantly subsidized by the Government, I am pleased to announce that from the next Academic Year, commencing 2026, tertiary education will become 100 percent subsidized by the Government. That means, no registration fees and no tuition fees at all public Universities and Technical & Vocational Education Centres. While this will be a gradual, phased in approach, your contribution as families and students for now will be towards accommodation and other related costs. We have heard your cries, “the Fees have Fallen”.”

This came after she had announced her new Cabinet on 22 March 2025 and restructured government so that the Ministry of Higher Education and Innovation was placed under a single Ministry of Education, Arts, Sport and Culture “to enhance effective coordination and improvement of our education system”. Former Executive Director at the Ministry of Education Sanet Steenkamp was appointed Minister of Education while Dino Ballotti was appointed Deputy Minister. Both were presidential appointees to Parliament. Erastus Haintengela was appointed Executive Director on 31 March.

Interestingly, although the SWAPO Manifesto did commit to:

“Critically review the operations of the Namibia Students Financial Assistance Fund (NSFAF) to enhance service delivery and increase funding for postgraduate students, including provision for students with special needs”

It did not make a commitment to abolish tertiary education fees which also did not feature in the election campaign. It was only in the SWAPO Manifesto Implementation Plan (SMIP) that the commitment was made as follows:

“The main goal is to improve access to higher and vocational education by offering free higher and vocational education at public institutions. Under SMIP the government will fund the operational expenditure budget of government-owned higher and vocational education institutions, while also funding infrastructure development of the Higher Education institutes (HEIs), and vocational centres nationwide. By capacitating Government-owned HEIs with required funding they can provide access to free education, this should be accompanied by capex for infrastructure development, including new facilities across regions. Important to note is that the enabler to achieve the strategic objectives for quality throughput into higher education should be underpinned by the priority to fast-track the full integration of Pre-Primary (PP) and Early Childhood Development (ECD) into the mainstream education system, for strong foundation budgetary provision should be made for the assessment thereof including infrastructure requirements in year 1 of this implementation plan.”

The SMIP further aimed to reintegrate NSFAP into the Ministry by October 2025 and provide for free education by April 2026. Implementation of this and other commitments was estimated to cost N\$5 billion a year over five years. [page 25] This is an ambitious commitment and it was not clear how much background work had been done when it was made. Nonetheless, Government backed this up by launching the establishment of a National Taskforce on Free Education in Tertiary Education Institutions on 19 June with a mandate to:

1. Develop a roadmap toward free tertiary education, reaffirming the Swapo Party Manifesto Implementation plan.
2. Submit a proposed implementation plan with clear, and actionable timelines to Cabinet by end of August 2025.

The Task Force Members are: the Ministry of Education, Innovation, Youth, Sport and Culture, the University of Namibia (UNAM), the Namibia University of Science and Technology (NUST), the National Commission on Research, Science and Technology (NCRST), the Namibia Qualifications Authority (NQA), the Namibia Student Financial Assistance Fund (NSFAF), the Namibia Training Authority (NTA), the National Council for Higher Education (NCHE), the Namibian College of Open Learning (NAMCOL) and other institutions and entities to be co-opted from time-to-time. Notably student organisations were not included. So far so business like.

It is worth noting that the President’s commitment was “**no registration fees and no tuition fees** at all **public** Universities and Technical & Vocational Education Centres” and not all costs associated with tertiary education such as food, accommodation and transport costs

and not private educational establishments.<sup>1</sup> This is extremely ambitious and accounts for why the announcement made international headlines. Not many countries in the world, especially middle-income countries, offer free tertiary education to their citizens.

### **An Issue With Pedigree**

While the President's announcement made waves, it did not come out of a vacuum. Those with longer memories will recall the issue of fees has been the subject of considerable debate for at least ten years as the following highlights make clear.

On 26 October 2015 addressing the National Conference on Wealth Redistribution and Poverty Eradication, President Geingob made the following statement:

"We removed school fees at primary level in 2012, and this year we are going to introduce fee free secondary school education. At the moment, large subsidies to our local tertiary education institutions translate into the State covering up to 80 percent of university costs. University students also benefit from loans through the Namibia Student Financial Assistance Fund. Going forward, we should move away from the loan system to a grant system that will enable students to, after graduation, immediately build up wealth portfolios instead of graduating into debt."

This elicited an immediate positive response from the Namibia National Students Organisation (NANSO) which had already long been opposed to the system of student loans.<sup>2</sup> However, the President's call was not followed up by action.

Whilst the 2014 SWAPO Manifesto did state that "the possibility of free tertiary/higher education in priority sectors will be explored" but it is not sure whether this took place and the Harambee Prosperity Plan (HPP) I of 2016 or HPP II of 2021 made no mention of this and rather emphasised the importance of education being of high quality and being demand driven.

NSFAF itself has a long and chequered history. Originally established in January 1997 to provide Namibian students with financial assistance to approved institutions of higher education, it became operational under the Namibia Student Financial Assistance Fund (NSFAF) Act No.26 of 2000 and became operational as a Directorate in the Ministry of Education in 2000, replacing the Public Service Bursary Scheme whose purpose was to train people to work solely in the civil service.<sup>3</sup> It was reported that audit reports showed that the institution failed to account for more than N\$2.7 billion between 2009 and 2010 during the

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<sup>1</sup> In a further announcement in June, Deputy Minister Ballotti announced that students at private tertiary institutions would also be included in the government's free education move. How this might work in practice has not been explained.

<sup>2</sup> <https://neweralive.na/nanso-welcomes-president-geingobs-push-study-grants-2/>

<sup>3</sup> <https://neweralive.na/re-integrating-nsfaf-into-higher-education-ministry/>

time it was a directorate. It became a public enterprise under the Ministry of Finance from 1 May 2013. During President Geingob's first term Cabinet directed it to be integrated as a Directorate within the Ministry of Finance in 2017 but this not take place.<sup>4</sup>

In 2016 government admitted that NSFAF had lost records of its borrowers during its relocation to new offices and that it was experiencing problems recovering student loans. At a press conference on 26 June 2016 Higher Education Minister Itah Kandjii-Murangi was quoted as saying: "The outstanding amount is a huge amount. NSFAF is finding it difficult to trace the graduates."<sup>5</sup>

In 2022 reports emerged that the new NSFAF building in Eros had been constructed without the permission of the City of Windhoek and had not been registered with the Deeds Office. While the building had cost N\$300 million it was reputedly worth only N\$170 million.<sup>6</sup> The suspicion was that normal tender procedures had been circumvented and the contractors had been handpicked.

The Auditor General issued a qualified audit report for NSFAF for the financial years ending 31 March 2022 and 2023 noting among other things, "despite the effort made by the Fund to enforce repayment, they still experience low recovery from beneficiaries."

Over a long period of time under different leadership and structures, NSFAF has not succeeded in creating a revolving fund whereby repayments from students go to fund future disbursements forcing government to allocate significant sums to the agency as part of the national budget every year. The inability to recover loans is likely to stem from a combination of mismanagement, lack of capacity, lack of political will leading to a lack of any incentive by borrowers to repay added to the fact that many students have not ended up finding jobs after qualifying.

Given this background, President Nandi-Ndaitwah is to be congratulated for finally grasping the nettle of student finance where so many others have either not tried or failed.

## **The Economics of Student Finance**

Higher education and tertiary education are often used interchangeably, but tertiary education is the broader term, encompassing all post-secondary education, including both higher education and vocational training. Before addressing the question of tertiary education finance, it is worth asking several basic economic questions:

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<sup>4</sup> <https://www.namibiansun.com/education/nsfaf-to-become-a-finance-ministry-directorate20250317151290#:~:text=NSFAF%20was%20established%20in%20January,approved%20institutions%20of%20higher%20education.>

<sup>5</sup> <https://www.namibian.com.na/nsfaf-lost-data-while-relocating-minister/>

<sup>6</sup> <https://neweralive.na/nsfafs-n300m-haunted-housebuilding-allegedly-constructed-on-a-whim-2/>

1. Should a country like Namibia devote resources to tertiary education?
2. Is there evidence that charging fees deters able students from entering tertiary education?
3. What should the balance be between public and private contributions towards the cost of tertiary education?
4. How should these investments be paid for?
5. Can the country afford to pay for free tertiary education and what does free mean?
6. What should be done to ensure that these contributions become investments that bring returns for both private individuals and the country as a whole?

The answer to the first question is almost certainly yes. Lower income countries with unskilled populations develop partly by investing in education at all levels. Taxes on rents from extractive industries should be reinvested in education including tertiary education so that skills levels across the economy rise giving rise to the development of new industries including more skill and knowledge intensive industries.

In Namibia's case, where large sections of the population are asset poor, providing education and tertiary education is likely to be one of the most effective ways of reducing poverty and allowing greater numbers of people to accumulate assets. This was convincingly articulated by Maximilian T Katjimune in an opinion piece in *The Namibian* in 2021:<sup>7</sup>

"A significant majority of students funded by NSFAF are poor, black and come from difficult family backgrounds with no generational wealth. This is the very reason why they apply for funding. Their families cannot afford to send them to institutions of higher learning. When these students graduate, they are often the breadwinners within their families. It is then incumbent on them to ensure that they not only drag their families out of a vicious cycle of generational poverty, but also attempt to build their own wealth portfolio and take care of the families they start as young adults."

Of course whilst this may be true for "a significant majority of students" it may not be true of all and the criteria for parental income may need to be part of this discussion.

The answer to the second question is unclear. Whilst there may be anecdotal evidence of students failing to enter tertiary education due to lack of funds, there seems to be little hard evidence of this happening. However, there are regular newspaper reports as well as anecdotal evidence of students struggling to stay in education because of the costs and also of students being barred from exams or failing to graduate due to not being able to keep up with their fees.

The answer to the third question is that there may be a good case for the emphasis to be on the public rather than the private contribution since there are likely to be significant public as well as private benefits to greater tertiary education spending.

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<sup>7</sup> "Why should we pay back NSFAF?", Maximilian T Katjimune, *The Namibian*, 6 August 2021

If the public is going to foot the lion's share of the bill how should this be paid for? Namibia is fortunate in being characterised by: a reasonably progressive and efficient tax system, extractive industries whose rents are effectively captured by government, membership of a customs union (the Southern Africa Customs Union) which pays over and above what Namibia would collect on its own with the same tariff structure, and a ratio of high tax revenue to GDP in comparison to other countries at a similar income level. Public investment in education may be one of the best investments the Namibian government can make.

This suggests Namibia may have the tax revenue to be able to afford free tertiary education as defined by the President above.

But the factor which determines the extent to which public spending on tertiary education is an investment is whether graduates go on to obtain jobs or create their own jobs which allow them to earn salaries higher than they would otherwise obtain without the additional qualification.

### **How Important Are Fees?**

In assessing government's ability to abolish fees, a good first step would be to examine how significant a portion of income they are to tertiary education institutions. Unfortunately, data is scarce.

The last public annual report from UNAM available on its website is for the year 2019. It shows that tuition fees contributed 34% (N\$698.781 million out of N\$1,807.751 million) while direct government subsidies contributed 51% to a total income of N\$1.8 billion (or N\$923.927 million out of N\$1,807.751 million).

The last public annual report from NUST available on its website is for the year 2018. It shows that tuition fees contributed 20% (N\$230,258,895 out of N\$1,123,958,229) while direct government subsidies contributed 74% (N\$821,204,198 out of N\$1,123,958,229).

The last public annual report from Namcol available on its website is for the year 2021/22. Although no breakdown of income is reported in the annual financial statements, elsewhere the report states that N\$59,226,767 in student fees were collected out of a total revenue of N\$191,833,289 which is approximately 31%.

It is not clear how much of a role fees play in vocational training and information is not available on the finances of vocational training centres.

The table below shows the subsidies allocated to higher education institutions and NSFAP over the last three years as set out in national budget documents.



N\$	FY23/24 (Actual)	FY24/25 (Revised)	FY25/26 (Budget)
UNAM	892,000,000	1,429,300,000	1,381,000,000
NUST	492,000,000	505,000,000	576,000,000
Namcol	110,000,000	110,000,000	110,000,000
NCRST	42,500,000	45,000,000	63,300,000
NCHE	19,000,000	13,000,000	28,000,000
NQA	46,000,000	47,000,000	62,000,000
NTA	451,400,000	475,000,000	565,000,000
NSFAF	2,057,800,000	2,412,196,000	2,659,169,000

Source: Estimates of Revenue and Expenditure 2025/26, Ministry of Finance

If the ratio of fees to government subsidies is assumed to remain constant over time, then abolishing fees would imply further spending by government of N\$920,666,667 to UNAM, N\$155,675,676 to NUST and N\$49,420,290 to Namcol or a total of N\$1,125,762,632 for all three in FY2025/26. This is 42% of the amount budgeted for NSFAF. These numbers suggest that government could abolish fees to UNAM, NUST and Namcol, and at the same time abolish NSFAF (and associated costs) and the pretence that NSFAF is lending money to students which they will in future repay and still have money to spare.

### Private and Public Returns to Tertiary Education

The approximate calculations above suggest government could afford to abolish fees to public tertiary education institutions. But this would yield neither private nor public returns if those graduating from the system fail to find suitably paid work. Again here the data is sketchy. The Population Census Labour Report for 2023 contained some information on unemployment and educational attainment which suggested those with tertiary education faced lower rates of unemployment than those with lower levels of educational attainment. However, this table says nothing about those in the Potential Labour Force (which includes significant numbers of discouraged job seekers) nor does it say anything about the quality of graduate employment. Thus, a graduate from tertiary education could be driving a taxi and earning only very little but would be considered employed in the table below. Clearly much more information is required to assess whether the tertiary education currently being provided represents a good investment, both for individuals and the country.



**Table 5.3: Unemployment rate by Highest level of education completed and Sex**

Highest level of education completed	Total			Male			Female		
	Unemployed	Labour force	Rate	Unemployed	Labour force	Rate	Unemployed	Labour force	Rate
None	26,821	72,429	37.0	14,950	48,200	31.0	11,871	24,229	49.0
Informal	1,053	2,786	37.8	508	1,472	34.5	545	1,314	41.5
Primary School	45,952	107,891	42.6	25,675	68,985	37.2	20,277	38,906	52.1
Secondary School	206,669	501,476	41.2	98,478	253,541	38.8	108,191	247,935	43.6
Technical/Vocational	8,379	22,866	36.6	5,621	16,362	34.4	2,758	6,504	42.4
Tertiary Education	23,669	133,897	17.7	8,759	55,109	15.9	14,910	78,788	18.9
Other	420	2,485	16.9	147	1,068	13.8	273	1,417	19.3
Don't Know	7,479	23,417	31.9	4,791	14,986	32.0	2,688	8,431	31.9
<b>Total</b>	<b>320,442</b>	<b>867,247</b>	<b>36.9</b>	<b>158,929</b>	<b>459,723</b>	<b>34.6</b>	<b>161,513</b>	<b>407,524</b>	<b>39.6</b>

Source: Labour Force Report, NSA

As things stand, it is far from clear how Namibian public tertiary education institutions shape the courses and the number of students given places on those courses to the needs of the economy. There should be constant feedback so that education becomes more demand driven as stated in previous SWAPO manifestos. Unfortunately, the anecdotal evidence is that capacity is lacking throughout the economy suggesting this is not the case. Educating more young Namibians in skills that are not in demand will only lead to a larger pool of frustrated young people.

Related to this is the question of quality and cost. It may be relatively cheap to encourage large numbers of young people to enter tertiary education but there is a vast difference in the cost of educating a doctor or an engineer (for example) compared to the cost of educating a public administrator or economist. This should lead government to reassess whether it is cost-effective to have Namibian public institutions provide a full range of courses or whether it would not in fact make more sense to pay Namibians to go and study abroad in certain subjects. This question requires more attention. A further question involves investigating how AI may be used to bring down the cost of tertiary education. This is something already being experimented with at lower levels of education in Namibia.<sup>8</sup>

## Conclusions

President Nandi-Ndaitwah has announced a bold policy initiative to abolish fees for Namibian public institutions of tertiary education and set an ambitious timetable for doing so. The issue of fees has been hotly contested for many years and this represents an opportunity to finally put it to bed. However, challenges remain and student organisations will lobby to include not just registration and tuition fees but also the cost of accommodation and travel. Whilst the public finances may allow significant reform, which may include the restructuring of the lamentable NSFAP, the greatest challenge will be to link this reform to the creation of a more demand-driven tertiary education sector and this

<sup>8</sup> See for example <https://yyenichat.com/>

should go hand in hand with the reform of the investment environment to ensure education spending really is an investment for both individuals and the country as a whole. NSFAF already has a process in place to determine priority courses although it funds students for other courses too.<sup>9</sup> This process probably needs to be improved on the basis of regular tracer surveys. If this is not achieved, the result could simply be greater numbers of more highly educated frustrated young people in the urban areas. The President has grasped one nettle but needs to grasp another if she is to achieve a positive outcome.

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<sup>9</sup> <https://www.nsfaf.na/download/priority-fields-of-studies-for-academic-year-2023-2025/>

## News Highlights

Date	Highlight	Commentary
24 June	NIPDB to resort under Trade (NBC)	President Nandi-Ndaitwah announced that the Namibia Investment Promotion and Development Board will operate under the Ministry of International Relations and Trade. She also confirmed investment legislation is in the final stage of being completed.
24 June	Anirep acquires stake in Cerim (The Namibian)	Alpha Namibia Industries Renewable Power Limited (Anirep) finalised the acquisition of a stake in Cerim Lüderitz Energy to advance its renewable power projects under Namibia's modified single buyer framework. Anirep met all the conditions for the acquisition of the 45% shareholding in Cerim Lüderitz Energy for N\$60 million.
23 June	IHG announces three new hotels in Namibia (Namibia Economist)	Valor Hospitality Partners, a global leader in the hospitality sector, announced it has signed three new hotel management contracts in Namibia. All are with InterContinental Hotel Group (IHG) Hotels & Resorts, one of the world's leading hospitality companies, to manage three new build properties in Namibia, the Vignette Collection Dunes Resort in Swakopmund, making its debut in the country, Holiday Inn in Walvis Bay and voco Windhoek CBD.
20 June	EU designates Namibia as high risk (New Era)	The European Commission designated Namibia as a high-risk jurisdiction for anti-money laundering (AML) and counterterrorism financing frameworks (CFT).
19 June	NamPower breaks ground on new solar PV plant (Xinhua)	NamPower officially broke ground for its largest solar photovoltaic power plant, the 100MW Sores Gaib Power Station. Located about 33 km northwest of Rosh Pinah in the Kharas Region of southern Namibia, the project will be developed by a joint venture between China Jiangxi International Economic and Technical Cooperation and Zhejiang China New Energy Development.
19 June	IMF concludes Article IV negotiations (IMF)	The Executive Board of the International Monetary Fund (IMF) completed its Article IV Consultations for Namibia, revealing a deceleration in the nation's economic growth to 3.75% for 2025 and 2026.
18 June	Bank of Namibia holds repo at 6.75% (Bank of Namibia)	The Monetary Policy Committee (MPC) of the Bank of Namibia again decided to keep the key repo rate at 6.75%, 75bps below the equivalent rate in South Africa.
18-20 June	Commonwealth Summit held in Windhoek (Namibia Economist)	For the first time in history, the Commonwealth Business Summit was held on African soil, with Windhoek hosting the inaugural event from 18–20 June. The summit ran concurrently with the Commonwealth Trade Ministers Meeting.
17 June	Namibia secures US\$250 million	Namibia secured US\$250 million in funding from the Climate Investment Funds (CIF) to accelerate green hydrogen projects and decarbonization of hard-to-abate industries.

	from CIF (Energy, Capital and Power)	
13 June	Google Street Views available in Namibia (Namibia Economist)	Google announced that its popular Google Street View service is now officially available in Namibia, opening up the country's breathtaking and diverse landscapes for virtual exploration worldwide.
12 June	China to abolish tariffs on African goods (Reuters)	China announced it will negotiate and sign a new economic pact with Africa that will get rid of all tariffs on the 53 African states it has diplomatic ties with in a move that could benefit middle-income nations such as Namibia.
9 June	BIPA to move head office (New Era)	The Business and Intellectual Property Authority (BIPA) will move its offices to the old SME Bank building at 172 Jan Jonker Road from 1 July 2025.
6 June	Sinomine halts production (Reuters)	China's Sinomine Resource Group said it has temporarily paused copper smelting operations at its Tsumeb plant citing a shortage of concentrate following a rapid expansion in smelter capacity worldwide. Sinomine plans to upgrade the smelter to enable the commercial production of multiple critical metals and minerals.
3 June	Namibia ranked 7 <sup>th</sup> in Africa in economic freedom (The Namibian)	Namibia was ranked seventh out of 47 countries in sub-Saharan Africa for economic freedom, with an overall score of 58.7, according to the 2025 Index of Economic Freedom by the Heritage Foundation. Globally, Namibia is ranked 94th, and its economy is classified as 'mostly unfree'.
2 June	Levy on export of skins and hides cut (Xinhua)	The Ministry of Finance cut the export levy on raw skins and hides from 60% to 15% while the levy on pickled skins was reduced from 15% to 10%.
29 May	Trigon concludes sale of Kombat mine (African Mining Market)	Canada-listed Trigon Metals concluded the sale of Kombat mine with Horizon Corporation Limited and Kamino Minerals Limited for US\$24 million in an all cash deal.
28 May	Namibia holds first Genocide Remembrance Day	During a new public holiday announced last year by President Mbumba, Namibia marked Genocide Remembrance Day for the first time, amid calls for reparations from Germany.
23 May	Fitch affirms Namibia's BB-rating (Fitch Ratings)	Fitch Ratings affirmed Namibia's Long-Term Foreign Currency (LTFC) Issuer Default Rating (IDR) at 'BB-' with a Stable Outlook.
23 May	President appoints two special upstream advisors (Upstream)	The President's office announced that Kornelia Shilunga has been appointed special advisor and head of the presidency's upstream petroleum unit (UPU), supported by special advisor Carlo McLeod, who will also be deputy head of the UPU.
19 May	Bank of Namibia inaugurates FDI report (Namibia Economist)	The Bank of Namibia, in collaboration with the Namibia Investment Promotion and Development Board, officially launched the first Foreign Direct Investment (FDI) Report. The report is a product of the formalised collaboration between the two institutions, established through a Memorandum of Understanding in April 2024.

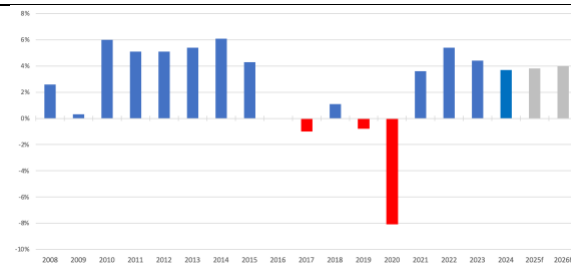
7 May	Inge Zaamwani appointed Minister of Agriculture (The Namibian)	President Nandi-Ndaitwah appointed Inge Zaamwani as Minister of Agriculture, Fisheries, Water and Land Reform to replace Mac-Albert Hengari who resigned earlier in the month.
2 May	Bank of Namibia to invest in gold (Bloomberg)	The Bank of Namibia announced it planned to join many other central banks and add gold to its foreign exchange reserves as a buffer against global uncertainty.
2 May	Approximately 141,000 businesses face deregistration (The Namibian)	The Business and Intellectual Property Authority (BIDPA) said in a statement that approximately 141,000 companies face the risk of deregistration due to their failure to comply with the beneficial ownership obligation.
1 May	Government moves to clear Meatco debt (The Namibian)	Government is moving to fully settle Meatco's debt of N\$212 million to the Development Bank of Namibia.
1 May	Mnyepe steps down as economic advisor (The Namibian)	James Mnyupe stepped down as Presidential economic advisor after five years in post and staying on for a month of transition. He remains Green Hydrogen Commissioner.
27 April	Minister resigns after arrest (Xinhua)	Minister of Agriculture, Fisheries, Water and Land Reform Mac-Albert Hengari resigned following his arrest on charges of bribery, obstruction of justice, and incitement to withdraw a criminal case.
26 April	TotalEnergies Pouyanne meets President (Upstream)	TotalEnergies CEO Patrick Pouyanne paid a courtesy visit to Namibia's President Netumbo Nandi-Ndaitwah in Windhoek underscoring the supermajor's plans to develop its deepwater Venus oil discovery in the Orange basin.
25 April	President announces free higher education (BBC)	President Nandi-Ndaitwah announced that higher and vocational training would be free of fees saying that students would pay "no registration [or] tuition fees" at all public universities and technical colleges from 2026.
19 April	SWAPO celebrates 65 <sup>th</sup> anniversary (Xinhua)	SWAPO Party marked its 65th anniversary with party President Netumbo Nandi-Ndaitwah calling for unity, discipline, and improved service delivery.
16 April	Bank of Namibia holds repo at 6.75% (Bank of Namibia)	The Monetary Policy Committee (MPC) of the Bank of Namibia decided to keep the key repo rate at 6.75%, 75bps below the equivalent rate in South Africa.
15 April	B2Gold to cut 300 jobs (Reuters)	Canada-listed B2Gold plans to cut 300 jobs from its Namibian workforce of 700 this year as it goes ahead with the phased downscaling of operations at its Otjikoto mine after depletion of open pit reserves.
11 April	President inaugurates green iron plant (Xinhua)	President Nandi-Ndaitwah inaugurated the Hylron Oshivela green iron plant near Arandis. It is expected to begin production later in the month with an initial capacity of 15,000 tonnes per year, with plans to reach two million tonnes by 2030.
9 April	Koryx to dual-list on NSX (Market Insider)	Canada-listed Koryx Copper Inc announced it would dual-list on the NSX on 10 April 2025 under the symbol KYX.

4 April	Trump hits Namibia with 21% tariff (Windhoek Observer)	As part of US President Donald Trump's "Liberation Day" reciprocal tariff initiative on 2 April, the United States imposed a 21% import tariff on Namibian goods, a move expected to affect key exports such as diamonds, uranium, fish, and beef.
3 April	Government strengthens energy ties with Russia (New Era)	At a meeting with Russian deputy prime minister Yury Trutnev, President Nandi-Ndaitwah stressed the need for deeper cooperation with Russia in the energy sector and to maximise economic benefits from its natural resources, particularly uranium, through value-addition rather than raw material exports.
1 April	Government commits to reviving Air Namibia (Xinhua)	President Nandi-Ndaitwah reaffirmed her commitment to revive Air Namibia. "The government intends to pursue this initiative using a sustainable business model with a Public-Private Partnership approach to provide a sound business case," the presidency said." A market study will be completed by June 2025 and N\$3 billion is expected to be required to sustain Air Namibia over the next five years. Later in the month the Ministry of Transport revealed that 16 Namibian companies had expressed an interest in the joint venture.
1 April	Oryx to buy Platz am Meer (The Brief)	Oryx Properties has announced its intention to acquire the Platz am Meer Shopping Centre at Swakopmund from South African firm Safari Investments for N\$290 million subject to approval by the Namibia Competition Commission.

## Key Economic Variables

### GDP Growth (%)

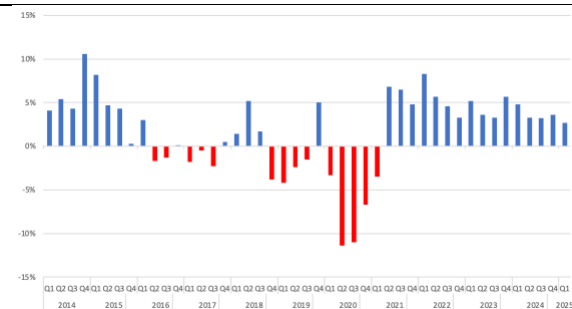
Source: NSA



The NSA published its estimates of GDP for 2024 which showed that GDP grew by 3.7% in 2024 after growing by 4.4% in 2023. The Bank of Namibia Economic Outlook for April 2025 forecast GDP growth at 3.8% in 2025 and 4.0% in 2026.

### GDP Quarterly Growth (%)

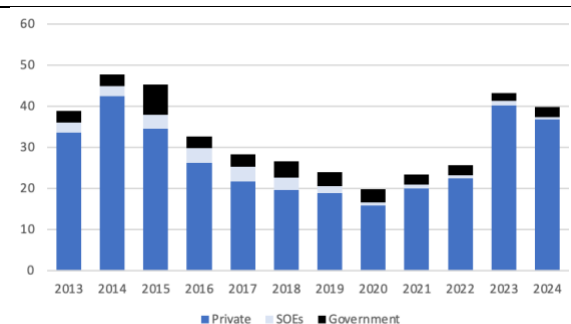
Source: NSA



GDP grew by 2.7% in the first quarter of 2025, the sixteenth successive increase in economic activity after the last quarterly contraction experienced in Q1 2021.

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

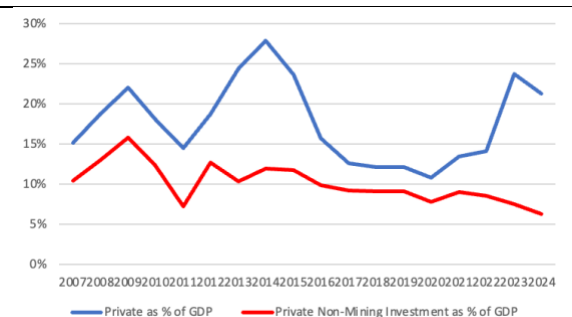
Source: NSA



Investment by the private sector fell slightly in 2024 after an exceptionally strong 2023 on the back of oil and gas exploration in both years.

### Private Fixed Investment (% of GDP)

Source: NSA

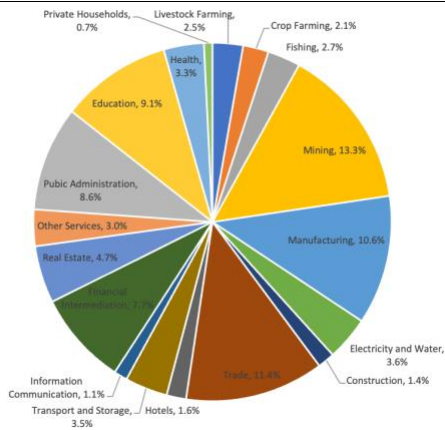


Total private fixed investment fell somewhat as a percentage of GDP in 2024 but private non-mining investment declined further to just 6.3% of GDP.



### Sectoral Breakdown of GDP in 2024 (%)

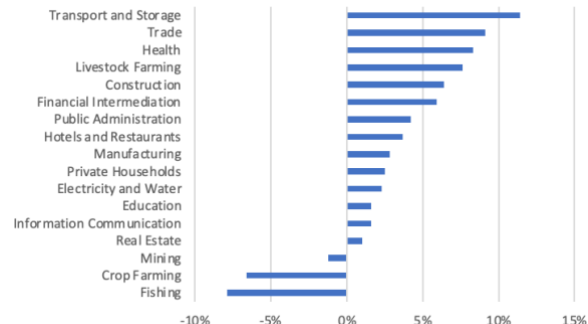
Source: NSA



The chart shows the contributions made to overall economic activity in 2024 by the different sectors of the economy according to the full national accounts. Service sectors contributed 54.7% while primary and secondary sectors contributed 20.6% and 15.6% respectively.

### Sectoral Growth in 2024 (%)

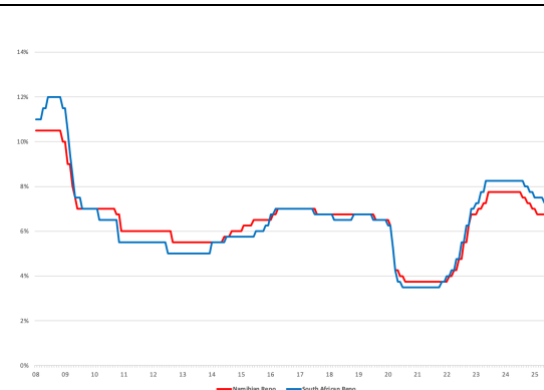
Source: NSA



Most sectors of the economy experienced positive growth in 2024 led by the transport and storage, trade, health, livestock farming construction sectors. However, three sectors suffered negative growth: mining (due to diamonds), crop farming (due to drought) and fishing (due to lower TACs).

### Namibian and SA Repo Rates (%)

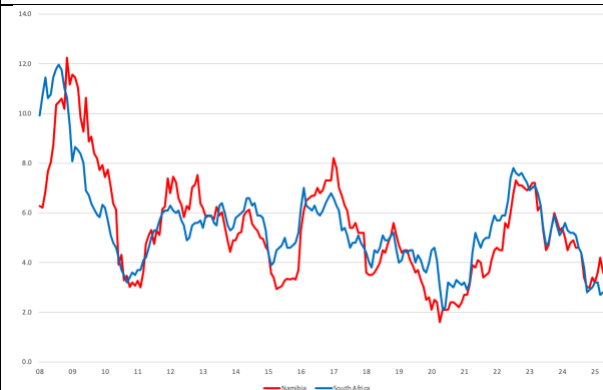
Source: BoN and SARB



As inflation subsided, the Bank of Namibia started cutting the repo rate in August 2024 and a fourth successive cut on 12 February 2025 brought it down to 6.75% where it remained during the last quarter whilst the SARB cut to 7.25% at the end of May 2025.

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

Source: NSA



Namibian consumer inflation fell slightly during the quarter to 3.5% in May 2025 whilst in South Africa consumer prices held steady at 2.8% for April and May 2025.

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

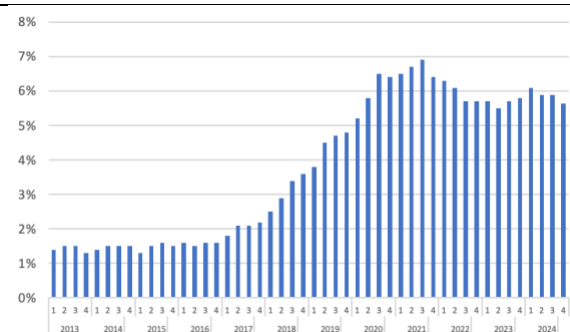
Source: BoN



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)

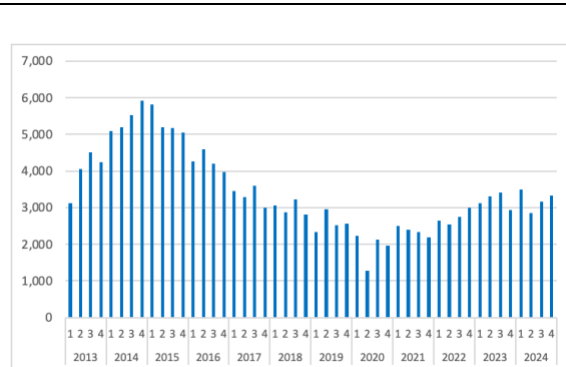
Source: BoN



The ratio of Non-Performing Loans (NPLs) reported by the commercial banks to the Bank of Namibia fell to 5.65% in Q4 2024.

### New Vehicle Sales (Units Sold)

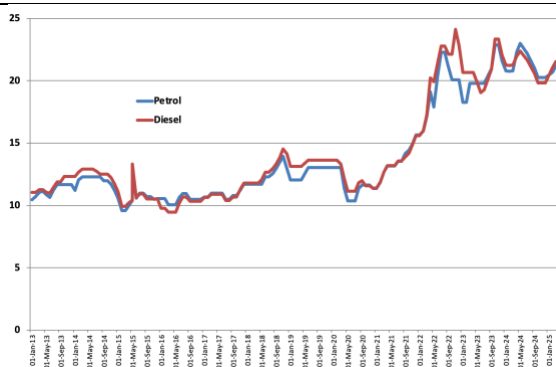
Source: BoN



The combined sales of new commercial and private vehicles rose from 3,155 in Q3 2024 to 3,338 in Q4 2024.

### Price of Petrol and 10ppm Diesel (N\$/l)

Source: Namcor



Controlled petrol and 10ppm diesel prices started Q2 2025 at N\$21.17 and N\$21.52 per litre respectively and ended the quarter at N\$20.37 and N\$20.02 per litre.

## Data Trends

Key Economic Indicators		Unit	2018	2019	2020	2021	2022	2023	2024
<b>Annual Economic Growth</b>									
GDP	%		1.1%	-0.8%	-8.1%	3.6%	5.4%	4.4%	3.7%
GDP current prices	N\$m		181,067	181,211	174,243	183,292	205,584	228,887	245,097
Change in Mining Value Added	%		16.1%	-8.7%	-15.0%	8.7%	24.1%	19.3%	-1.2%
Change in Manufacturing Value Added	%		-0.4%	4.7%	-17.1%	-1.2%	5.2%	-2.1%	2.8%
<b>Fixed Investment</b>									
Fixed Investment	% of GDP		16.9%	15.8%	13.7%	16.0%	16.7%	26.1%	23.7%
Change in Fixed Investment	%		-6.0%	-9.5%	-17.7%	18.0%	9.9%	68.9%	-7.9%
Fixed Investment - Government	'000 N\$m		4,858	4,616	3,961	3,536	4,007	3,488	4,718
Fixed Investment - SOEs	'000 N\$m		3,678	2,034	1,048	1,263	1,286	1,901	1,077
Fixed Investment - Private	'000 N\$m		22,008	21,893	18,802	24,576	29,062	54,344	52,193
<b>Prices and Interest Rates</b>									
Average Inflation	%		4.3%	3.7%	2.2%	3.6%	6.1%	5.9%	4.2%
Year End Prime Lending Rate	%		10.50%	10.25%	7.50%	7.50%	10.50%	11.50%	10.75%
Year End Repo Rate	%		6.75%	6.50%	3.75%	3.75%	6.75%	7.75%	7.00%
<b>Trade and Balance of Payments</b>									
Exports - total goods	N\$bn		56.6	57.5	53.7	53.8	75.1	88.9	88.4
Exports - total services	N\$bn		8.4	8.4	5.0	4.8	8.1	11.0	13.7
Imports - total goods	N\$bn		75.2	77.0	66.5	84.0	108.0	121.0	132.5
Imports - total services	N\$bn		7.8	7.3	8.8	10.6	12.9	32.6	34.2
Trade Balance	N\$bn		-18.0	-18.3	-16.7	-36.0	-37.7	-53.8	-64.6
Balance of Payments	N\$bn		-6.1	-3.8	5.0	-25.2	-30.2	-38.8	-41.6
as % of GDP	%		-2.4%	-1.3%	3.8%	-12.6%	-13.6%	-15.9%	-15.8%
<b>Foreign Exchange</b>									
Year End Exchange Rate (N\$ to USD)	N\$		14.4116	14.0418	14.6246	15.8899	16.9831	18.5826	18.7115
Year End Exchange Rate (N\$ to EUR)	N\$		16.4848	15.7437	17.9897	17.9794	18.1057	20.5839	19.4767
Year End Exchange Rate (N\$ to GBP)	N\$		18.3424	18.4383	19.9801	21.4752	20.4714	23.6984	23.4801
Foreign Exchange Reserves	N\$bn		31.0	28.9	31.8	43.9	47.6	52.2	63.0
Fitch credit rating (at year end)		BB+ (stable)	BB	BB (negative)	BB (negative)	BB- (stable)	BB- (stable)	BB- (stable)	BB- (stable)
Moody's credit rating (at year end)		Ba1 (-ve)	Ba2 (stable)	Ba3 (negative)	Ba3 (negative)	B1 (stable)	B1 (stable)	B1 (stable)	B1 (stable)
<b>Financial Sector</b>									
Private Sector Credit Extension Growth	%		6.6%	6.8%	2.0%	1.2%	4.2%	1.9%	4.0%
Non-Performing Loans	% of total loans		3.6%	4.8%	6.4%	6.4%	5.6%	5.8%	5.7%
NSX Overall Index (at year end)	Index		1,303	1,306	1,232	1,572	1,639	1,624	1,797
NSX Local Index (at year end)	Index		621	614	456	529	507	672	691
New Local Listings			0	1	0	1	0	0	0
<b>Business Indicators</b>									
Namdeb Diamond Production	'000 carats		2,008	1,700	1,448	1,467	2,137	2,327	2,234
Uranium Production	tonnes		5,525	5,476	5,413	5,753	5,613	n/a	n/a
Gold Production	kg		6,171	6,526	6,254	7,103	6,992	9,800	n/a
SHG Zinc Production	tonnes		65,993	67,295	659	0	0	0	0
Mining Licences Granted	number		3	4	6	11	8	3	n/a
Exploration Licences Granted	number		259	297	243	97	56	97	n/a
Number of Companies Formed	number		2,851	1,153	852	n/a	1,153	n/a	
New Vehicle Sales	number		11,998	10,379	7,606	9,414	10,919	12,775	12,854
Tourist Arrivals	'000		1,557	1,596	170	233	461	864	n/a
- From Africa	'000		1,164	1,252	112	163	256	621	n/a
- From Europe	'000		306	256	45	59	155	58	n/a
- From RoW	'000		87	89	12	11	50	185	n/a
International Arrivals at HKIA	'000		247	215	46	63	163	223	230
Regional Arrivals at HKIA	'000		239	223	45	64	134	173	206

<b>Employment</b>		<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	
Government		86,587	n/a	n/a	n/a	n/a	n/a	n/a	
Parastatals		30,654	n/a	n/a	n/a	n/a	n/a	n/a	
Private Companies		214,693	n/a	n/a	n/a	n/a	n/a	n/a	
Private Households		70,036	n/a	n/a	n/a	n/a	n/a	n/a	
Total		401,970	n/a	n/a	n/a	n/a	n/a	n/a	
<b>Government Finances</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>	<b>FY 25/26</b>
Revenue	N\$bn	55.9	58.4	57.8	55.4	64.4	81.5	90.9	92.6
Expenditure	N\$bn	65.3	66.6	73.7	71.3	75.4	87.5	101.3	106.3
Budget Balance	N\$bn	-8.4	-8.2	-15.3	-14.8	-11.1	-5.6	-9.9	-12.8
Public Debt	N\$bn	87.5	100.4	110.5	125.8	142.7	153.7	165.9	172.4
Interest Payments	N\$bn	6.3	7.0	7.4	7.7	9.4	11.8	12.9	13.7
Public Guarantees	N\$bn	10.9	11.1	10.1	10.3	9.4	8.3	8.7	9.3
Revenue	% of GDP	30.9%	32.6%	32.8%	29.6%	29.8%	34.5%	36.2%	33.3%
Expenditure	% of GDP	35.5%	37.3%	41.9%	38.1%	35.0%	37.0%	40.3%	38.2%
Balance	% of GDP	-4.6%	-4.6%	-8.7%	-7.9%	-5.1%	-2.4%	-3.9%	-4.6%
Public Debt	% of GDP	48.4%	56.0%	62.7%	67.2%	66.2%	65.1%	66.0%	62.0%
Interest Payments	% of revenue	11.3%	11.9%	12.8%	13.9%	14.7%	14.5%	14.2%	14.8%
Public Guarantees	% of GDP	6.0%	6.2%	5.8%	5.5%	4.4%	3.5%	3.5%	3.4%
		<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>International Rankings</b>									
Global Competitiveness Index Ranking		100/140	94/141	n/a	n/a	scrapped	scrapped	scrapped	scrapped
Global Competitiveness Index		4.0	54.5	n/a	n/a	scrapped	scrapped	scrapped	scrapped
Energy Transition Index Ranking		75/120	53/120	78/120	69/120	79/120	71/120	68/121	n/a
Energy Transition Index		53.0	56.3	52.7	55.0	53.8	53.6	64.5	n/a
Ease of Doing Business Ranking		106/190	107/190	104/190	scrapped	scrapped	scrapped	scrapped	scrapped
Ease of Doing Business Index		60.29	60.53	61.4	scrapped	scrapped	scrapped	scrapped	scrapped
Corruption Perceptions Index Ranking		52/180	56/180	57/180	58/180	59/180	59/180	59/180	n/a
Corruption Perceptions Index		53	52	51	49	49	49	49	n/a
Ibrahim Index of African Governance Ranking		7/54	7/54	8/54	8/54	n/a	6/54	n/a	n/a
Ibrahim Index of African Governance		65.2	64.2	63.6	63.3	63.6	63.9	63.9	n/a
Investment Attractiveness Index Ranking		60/83	55/76	52/77	59/84	38/62	42/86	n/a	n/a
Investment Attractiveness Index		56.66	58.22	59.72	52.59	59.88	56.43	n/a	n/a
Open Budget Index (out of 100)		n/a	51	n/a	42	n/a	54	n/a	n/a
World Press Freedom Index - Ranking		26/180	23/180	23/180	24/180	18/180	22/180	34/180	28/180

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.