FEBRUARY 2026

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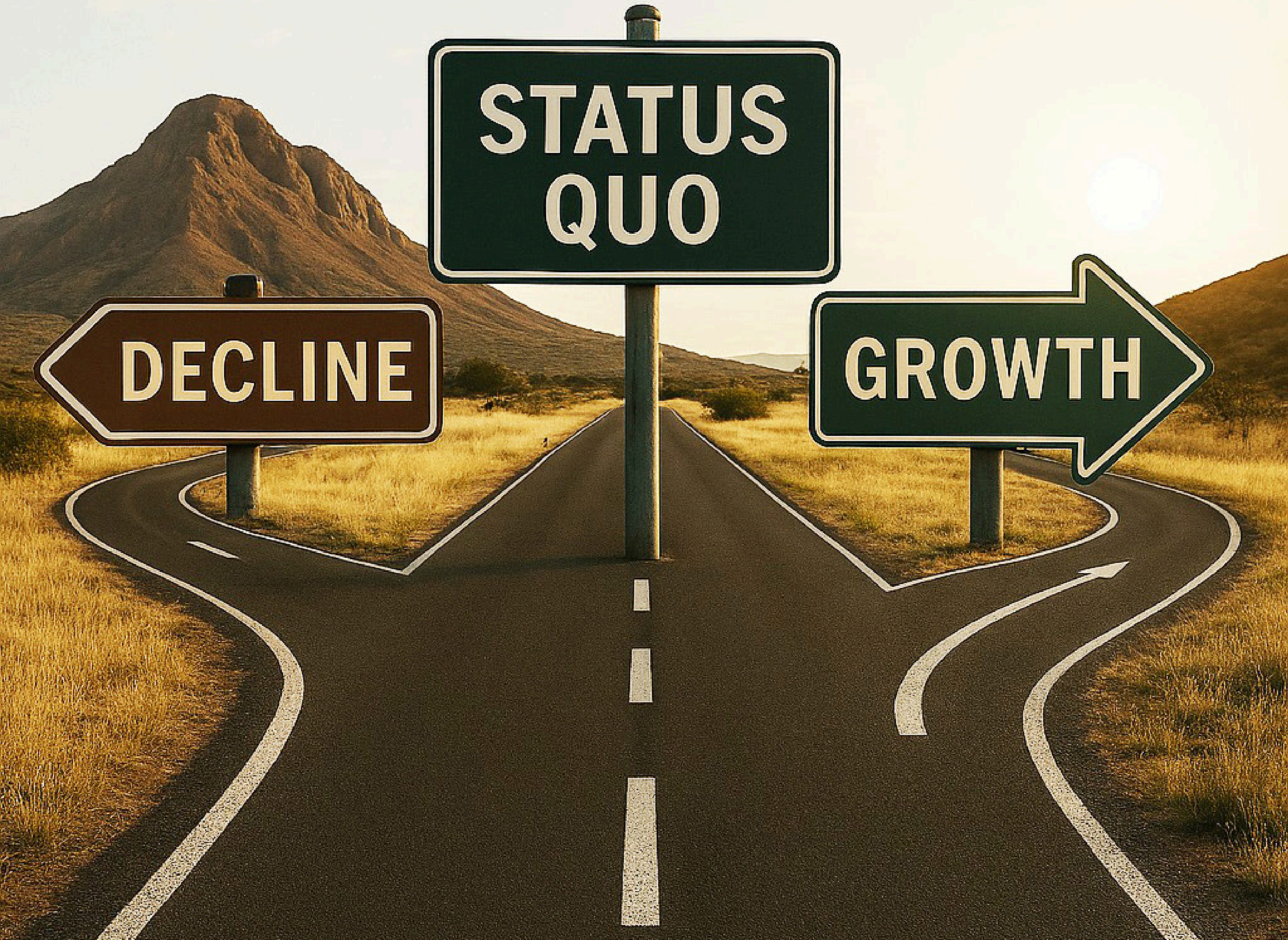

Economic Scenarios for Namibia: Risks, Reforms and Opportunities

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of Ireland
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Development
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This paper forms part of a series of IPPR research publications supported by the Embassy of Ireland. The views and opinions expressed in this paper do not necessarily reflect those of the Embassy of Ireland.

Table of Contents

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This short paper examines Namibia's potential economic pathways to 2030. It does this by developing two scenarios across the economic sectors of the economy: a pessimistic scenario and an optimistic scenario. These represent the extremes with the most likely outcome likely to be somewhere in between. However, for the purposes of this exercise it was deemed more useful to highlight the worst that could happen as well as the best rather than what is the most likely. It examines the international environment, domestic sectoral developments, monetary policy and fiscal policy and develops base case and optimistic scenarios for these areas of interest.

1. Demographic Scenarios

Namibia's 2023 Population and Housing Census revealed that Namibia's population stood at 3,022,401in 2023 compared to 2,113,077 in 2011. This new population size implied a growth rate of 3.0% a year since 2011, more than double the implied growth rate of 1.4% for the previous period 2001 to 2011. This is a surprisingly high number which cannot be put down to net positive immigration. Developing countries generally tend to experience falling population growth rates as education and incomes improve and women enjoy greater participation in the labour force, have more control over reproduction, and choose to have fewer children. The population is 525,000 larger than it would have been if it had grown at the previous rate of 1.4% from 2011. Namibia is now the country with the third rather than the second lowest population density in the world after Mongolia and Australia with 3.7 people per square kilometre. If the population continues to grow at a rate of 3.0% it will reach 3.7 million by 2030. A population growing at 3.0% a year means that the economy will have to grow by more than 3.0% a year for Namibians on average to become better off. Namibia's mean trend rate of growth since 1990 has been just over 3% a year.

Because the population is larger than previously estimated, Namibian GDP per capita is lower than previously estimated. The World Bank estimated Namibia's GDP at US$12.35 billion and its population at 2,604,172 in 2023 giving a per capita GDP of US$4,742.80. The new figure implies an income per head of US$4,086.40 which places Namibia below the latest US$4,515.00 threshold for upper-middle-income countries determined by the World Bank. This means Namibia has fallen back into the lower-middle-income country category for the first time since 2007. Namibia's Vision 2030 aims to turn the country into a high-income industrialised country by 2030. The threshold of the high-income classification is currently US$14,005.

In both base case and optimistic scenario, Namibia's population is estimated to grow by 3% a year from 2023 to 2030. This implies the population will have to grow by at least 3% a year for the average person's income to remain where it is today. Namibia would have to grow by approximately 20% a year for it to reach the high-income threshold by 2030. This is unlikely to happen and therefore Namibia will not be a high-income country by 2030 as envisaged by Vision 2030.

2. Political Scenarios

The period of interest covers the remainder of President Netumbo Nandi-Ndaitwah's term of office which commenced on 21 March 2025 following presidential and parliamentary elections on 27-30 November 2024. These elections gave SWAPO's presidential candidate a majority of 58.07% of the votes cast on a turnout of 76.86%. This was a greater majority than President Geingob's majority of 56.25% in 2019 on a turnout of 60.82%. However, SWAPO Party's majority in Parliament fell from 65.45% or 63 seats plus 8 presidential appointees out of 104 seats in 2019 to 53.38% or 51 seats plus 8 presidential appointees out of 104 seats in 2024. In the period since 21 March 2025 Parliament has passed just one piece of legislation: the Appropriation Act of 2025. SWAPO Party's reduced majority and the presence of active parliamentary opposition could mean that Parliament plays a much more important role in passing or blocking legislation than it has done over the past 35 years which has important implications for economic policy.

Local and regional elections on 26 November 2025 will provide an indication of the state of the parties since the elections of November 2024. A SWAPO Congress is due sometime in November 2027 at which a new Vice President of SWAPO Party will be elected. In February 2025 SWAPO Central Committee decided that the post would remain frozen until the Congress in 2027. The post is expected to be highly contested since gaining the SWAPO Vice-Presidency has generally been an important step towards becoming SWAPO's presidential candidate. However, at this stage it looks as if President Nandi-Ndaitwah is striving to be a two-term president which has been the norm since 1990 (with Founding Father Dr Sam Nujoma serving an exceptional three terms). It is theoretically possible, however, that SWAPO might consider replacing President Nandi-Ndaitwah as its presidential candidate for the next presidential elections which, according to Namibian law, are set to take place in November 2029. If this happens it is not clear what would happen to the current President's policy agenda as she would then be a "lame duck" president from which power will have drained.

Furthermore, there is the question of the President's age. She is currently 73 years old and will be 77 going into the next presidential elections and 82 at the end of a second term. The Founding Father was 60 when he became president in 1990, Hifikepunye Pohamba was 69 when he became president in 2005, Hage Geingob was 73 when he became president in 2015 and Nangolo Mbumba was 82 when he completed President Geingob's second term after Geingob died on 4 February 2024. It is no commentary on the president's state of health to note that she is not young and the stresses and strains of office are considerable.

On coming to office on 21 March 2025, President Nandi-Ndaitwah launched a reorganisation of government reducing the number of ministries and ministers to 14 and thereby creating at least four new "super ministries": 1) the Ministry of Agriculture, Fisheries, Water and Land Reform, 2) the Ministry of Education, Innovation, Youth, Sports, Arts and Culture, 3) the Ministry of International Relations and Trade and 4) the Ministry of Industries, Mines and Energy. There is every reason to believe these ministries are just too big and diverse and it would come as no surprise if some further reorganisation did not take place. This could also provide the opportunity to placate ambitious party members languishing as backbenchers in Parliament.

In both our base and optimistic scenarios, we assume President Nandi-Ndaitwah remains in office until 21 March 2030. In both scenarios the number and mandate of current ministries remain the same. In both scenarios Parliament passes legislation put before it by the government but the timing differs for each scenario.

3. Monetary Policy Scenarios

Namibia belongs to the Common Monetary Area (CMA) with South Africa, Eswatini and Lesotho. The South African Rand (ZAR) is legal tender in Namibia and is pegged 1:1 with the Namibia Dollar (NAD). Namibia's monetary policy is determined primarily by its commitment to this peg to the Rand. The South African Reserve Bank (SARB) targets inflation, setting its repo rate (essentially the rate at which it lends to the South African commercial banking sector) in a way that guides expectations of inflation in the wider economy. It will generally raise the repo rate when it sees inflationary pressures mount and reduce the repo rate when it sees inflationary pressures abate. The skill lies in changing the rate at the right time given the leads and lags that exist between interest rates and inflation and for this reason timely and accurate data is essential. The external value of the Namibia Dollar is determined by the South African Rand which is an intensively traded emerging market currency whose volatility has been sensitive to domestic politics.

The SARB's clear anti-inflationary mandate since the policy of targeting inflation was formally introduced in 2000 has led to lower inflation and lower interest rates in the two decades and a half since. On its own terms, therefore, the policy has been a great success and the SARB has established itself as a credible monetary institution. South Africa's Minister of Finance has recently announced that it will move from an inflation target band of 3%-6% to a simple target of 3% over the next two years following examples elsewhere in the world such as the inflation targets of the European Central Bank and the Bank of England, both of which have a target of 2%.

Namibia's main monetary policy objective involves ensuring the one-to-one peg with the Rand is maintained and opportunistic capital flows between the two countries minimised. If Namibia's repo rate is allowed to become significantly higher or lower than South Africa's, this will give rise to speculative trading (arbitrage) opportunities given the relatively free flow of capital that is permitted between the two countries. However, Namibia is further constrained in what it can do by the Bilateral Monetary Agreement it has with South Africa based on the fact that the South African currency remains legal tender in Namibia. Under the agreement, Namibia is obliged to back all South African currency in circulation with an equal value of foreign exchange reserves.

Over and above this formal agreement, Namibia abides by an internationally accepted rule of thumb to maintain three months' worth of imports or more in foreign exchange reserves. This cushion means that unexpected outflows of foreign exchange reserves which may occur from time to time will not imperil the currency peg and will allow businesses and households in Namibia access to the foreign currency they require at the pegged exchange rate at any time. Such a cushion would not be as important if Namibia had its own floating exchange rate since the exchange rate would always move to balance supply and demand of foreign exchange.

The move from an inflation target band of 3%-6% to 3% (with leeway of 1% either side) is one that is very much associated with the current governor of the SARB, 59-year-old Lesetja Kganyago, who was appointed by President Zuma in 2014 and reappointed by President Ramaphosa in 2019 and 2024. Kganyago has steered South African monetary policy through turbulent times under the Zuma presidency and through Covid and Russia's invasion of Ukraine. Under Kganyago the SARB has done a good job of meeting its inflation target. His third five-year term runs to 8 November 2029, almost to the end of our period of analysis. This is after South Africa's next national elections which are likely to take place in May 2029. Historically, the SARB Governor has been insulated from political change. We assume he will remain in post and that one of his deputies will replace him once his third term expires.

At the end of 2025 President Nandi-Ndaitwah appointed Bank of Namibia Deputy Governor Ebson Uanguta to replace Johannes Gawaxab from 1 January 2026. Uanguta is a credible individual with extensive knowledge of economics, finance and central banking but it is not clear how he would respond to political tests.

In both our base and optimistic scenarios, we assume the Governor of the South African Reserve Bank remains in office until 8 November 2029 after which he is replaced by one of his deputy governors. Throughout the entire period of interest, the SARB maintains its new 3% inflation target and the Bank of Namibia, under the leadership of Ebson Uanguta maintains the Namibia Dollar's 1:1 peg to the Rand.

4. International Scenarios

Covid in 2020, Russia's invasion of Ukraine in 2022, and the coming into office of US President Donald Trump on 20 January 2025 have been three events that have had major implications for the global economy and for Namibia. The scope of this paper cannot hope to make forecasts for the global economy in all its complexity, but it will set out a number of assumptions that are expected to prevail over the coming five years.

Donald Trump is assumed to remain US President until his term expires on 20 January 2029. The "reciprocal tariffs" imposed by the Trump Administration on 9 August 2025 are expected to remain in place until at least that point. However, the US Supreme Court is due to rule on the legality of Trump's tariff policies early in 2026. These tariffs will blunt growth within SACU, especially in South Africa.

It is possible that the Trump Administration will end up waiving tariffs on rough and polished diamond imports into the US but it is assumed here that this will not take place. Uranium entering the US does not face any additional "reciprocal" tariffs.

Table 1: SACU "reciprocal tariffs" by member country

SACU Member	Tariff Rate
Botswana	15%
Eswatini	10%
Lesotho	15%
Namibia	15%
South Africa	30%

The **US Africa Growth and Opportunity Act (AGOA)** expired at the end of September 2025 although it is possible it will be extended. It is assumed that AGOA will not be available to Namibian exporters during the entire period under discussion.

China is expected to follow through on its offer to waive tariffs on African exports to China for all but one African country including upper- and lower-middle-income countries. Namibia is expected to maintain especially close relations with China.

The EU is expected to maintain its current trading relationship with Namibia until 2030 and beyond because the EU-SADC Economic Partnership Agreement which came into force in 2016 is intended to be a long-term agreement and has no specified end date. The contrast between China and the EU on the one hand, and the US on the other, could not be starker.

The **energy transition** is expected to continue without the full participation of the US but peak oil – something that has been the subject of numerous and highly varied predictions – is expected to move out to well beyond 2030. This means oil and gas exploration companies in Namibia will be under less pressure to reach a Final Investment Decision than they were prior to the coming to office of Trump. The energy transition will support the price of uranium so that greater exploration and production is encouraged. Existing EU policies towards green hydrogen will continue until 2030 including the **target to import 10 million tonnes of green hydrogen by 2030**.

The long-term decline in demand for natural diamonds will continue as **Lab-Grown Diamonds (LGDs)** become ever cheaper and more sophisticated.

Artificial Intelligence (AI) I will continue to advance propelled mainly by developments in the US and China. This will increasingly have an impact on Namibia, including on its labour market.

Climate Change will continue and consensus expectations are now that the world is on a pathway towards more than a 1.5 degree rise in average temperatures and more than a 2 degree rise in average temperatures by 2050.

South Africa's ANC is due to hold its **56th Congress** in December 2027 at which the "top six leaders" of the National Executive of the party will be selected and the successor to President Ramaphosa chosen for elections in May 2029. The transition to a new ANC leadership has significant implications for economic policy in South Africa and therefore in Namibia.

Table 2: Significant Political and International Events 2026-2030

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

5. A Word About Policy

SWAPO won the presidential and parliamentary elections on the basis of its manifesto "Unity in Diversity: Natural Resources Beneficiation and Youth Empowerment for Sustainable Development" released in September 2024. Like previous SWAPO manifestos, this latest one is a rather tepid document which does not commit the new government to very much although there are commitments such as the promise to spend N$85.7 billion over five years on "Priority Projects" to create 256,538 jobs which would have significant fiscal implications if carried out. The Manifesto fails to mention a number of major policies such as the National Equitable Economic Empowerment Bill, the Namibia Investment Promotion and Facilitation Bill, the new Minerals Bill, all of which have been kicked down the road over many years.

Following the elections, SWAPO released the **SWAPO Manifesto Implementation Plan (SMIP)** in February 2025. This carried on themes raised in the Manifesto but put more flesh on the manifesto's bones and was a much longer document.

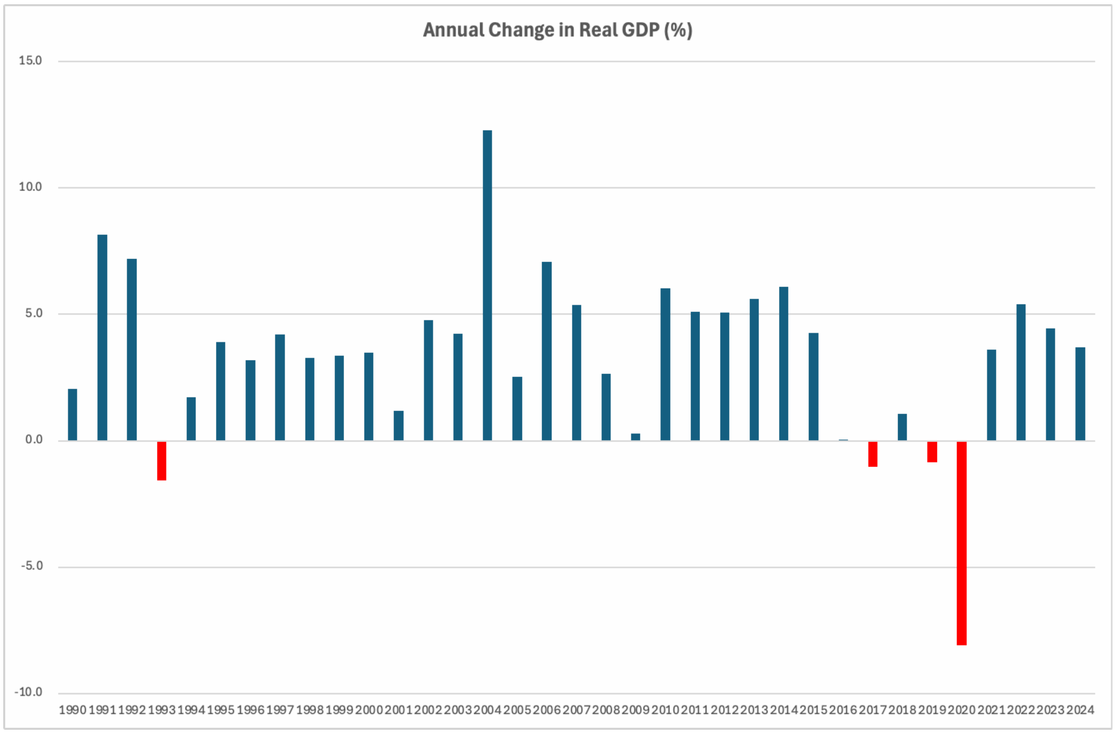
In July 2025, the new Government published Namibia's **Sixth National Development Plan (NDP6) "Fostering Economic Growth, Inclusiveness and Resilience for Sustainable Development 2025/26 to 2029/30"**. This was an even more detailed programme for government, attractively produced and very much along the lines of previous NDPs with lots of detailed ambitions (Desired Outcomes) and targets. It is not clear if NDP6 has been properly costed.

Paradoxically, these three documents contain different and sometimes contradictory commitments and appear to have been drafted by different groups of people. Although the President herself insists that her government will be guided by all three documents (especially more recently by NDP6), she and her ministers do not appear to be fully aware of their contents. Green hydrogen makes a comeback in NDP6 having all but disappeared in the Manifesto and SMIP. Free higher education was not mentioned in the Manifesto or on the campaign trail yet finds a place in NDP6. There is no mention in NDP6 of the N$85.7 billion or the 256,538 jobs contained in the Manifesto or of the half a million jobs sometimes mentioned by the President. As a result, it is very difficult to know what precisely government policy is on any particular issue. This paper provides some "Desired Outcomes" and other targets from NDP6 on the assumption that this document represents and latest and final thinking on policy over the period until 2030.

NDP6 sets the following macroeconomic "Desired Outcomes":

Desired Outcome 0101
By 2030, Namibia will be a resilient middle-income economy, underpinned by inclusive, diversified, and sustainable growth.
Desired Outcome 0102
By 2030, achieve 7 percent or more annual economic growth rate.
Desired Outcome 0103
By 2030, achieve employment rate of 75 percent from 63.1 percent in 2023.

Historically speaking, Namibia has never achieved sustained rates of growth of 7% (with the aberrations of 1991, 1992 and 2004). The closest it has come to a sustained period of high growth was during the exceptional six-year period following the Global Financial Crisis between 2010 and 2015 when inflation and interest rates were low and public and private sector investment was high, the former thanks to TIPEEG. Unrestrained public spending during this period led to severe fiscal consolidation when growth then disappeared from 2016 on. In 2004 the Founding Father published "Vision 2030" which envisaged Namibia as a high-income industrialised country by the year 2030. NDP6 targets average income of US$6,500 per capita by 2030 which would put Namibia in the upper-middle-income category of the World Bank. It should be noted that there is no employment data for the year 2025 (or indeed 2024). It will therefore be impossible to properly assess improvements in employment creation between 2025 and 2030.



6. Sectoral Scenarios

Agriculture

Droughts have become more frequent in already arid Namibia. Records show there were significant droughts in 1981, 1990, 1995, 1998, 2001, 2002, 2013, 2015, 2019 and 2024. There is every chance that at least one serious drought will take place between 2026 and 2030 although precisely when is impossible to predict. Whenever it takes place, it will have a profound impact on the agriculture sector.

Namibia's agriculture sector has not changed significantly for decades. Namibia's commercial livestock farmers raise mainly cattle and sheep but many have diversified into game such as kudu or oryx (often linked to trophy hunting), ostrich and pig farming. Livestock producers sell to local abattoirs as well as "on the hoof" to South Africa and (occasionally) other countries. There are currently some 79 licensed abattoirs in Namibia but by far the largest are the two EU-approved export abattoirs: Meatco's in Windhoek and Beefcor's in Okahandja. There are two EU-approved sheep abattoirs: Ohlthaver & List subsidiary Hartlief operates the Farmers Meat Market abattoir in Mariental while the Brukkaros abattoir in Keetmanshoop is currently closed. There is another sheep abattoir in Aranos approved for export to South Africa. A new company, Savanna Beef Namibia, has recently completed the construction of a new export abattoir between Windhoek and Okahandja and started conducting trial slaughtering in September 2025 after successive fund-raising rounds locally.

Namibia has traditionally been a net exporter of livestock and meat which forms the basis of related industries in hides and skins. Namibia enjoys preferential access to the EU, UK and Norwegian markets and became the first country in Africa to export beef to China (in 2019) and the US (in 2020). The local pork industry has been supported by the Pork Market Share Promotion Scheme which was established in 2012 and is due to continue until 2028. Namibia imported 57% of the pigs required for domestic demand. It is clear that live cattle and small stock exports (primarily to South Africa but limited numbers to other countries in Southern Africa and elsewhere) are important sources of demand for Namibian livestock producers while export abattoirs are also important especially for cattle but only relatively few cattle from the Northern Communal Areas (NCA) are exported despite persistent efforts by government to facilitate this over the years.

Namibia Poultry Industries, owned by Namib Mills, operates a breeder, hatchery, broiler farm, and a slaughtering facility outside Windhoek processing 250,000 birds a week and selling fresh and frozen chicken products under the *RealGood and NAM Chicken* brands. Namibia Dairies, owned by the Ohlthaver & List Group, operates the !Aimab Superfarm outside Mariental based on Friesian cows and produces fresh and UHT milk and a range of other dairy and juice products distributed through a cold chain network to 1,700 retail outlets mostly for domestic consumption but with recent forays into Angola and Zimbabwe. Namibia's dairy industry is dependent on imported feed and fodder and has periodically been on the receiving end of dumping by larger South African producers. Namibia Dairies is currently loss-making. Government is looking into implementing protective measures, similar to those in pork and poultry as part of a National Dairy Master Plan. From 13 January 2025, the Livestock and Livestock Products Amendment Act of 2023 has required importers (and exporters) of poultry, dairy and other products to secure permits and gives Government the power to support local producers.

The production of game meat suitable for eating (gemsbok, kudu, springbok, red hartebeest, eland and mountain zebra) takes place mainly on private commercial farms south of the VCF, an activity which is closely associated with trophy hunting. Game wildlife is considered more able to withstand the impact of climate change than livestock. Game from private farms is mostly processed in veld or mobile veld abattoirs and can be processed into a variety of products including biltong and droëwors. One (old) study estimated that 16,000-23,000 tonnes of game meat are produced annually with game meat sales totally N$500 million-N$1.6 billion. The industry is overseen by the Directorate of Veterinary Services, the Ministry of Health and Social Services, and the Ministry of Environment and Tourism. There are Guidelines for the Processing and Harvesting of Wild Game in Namibia 2016.

Namibia produces three main staple grains: white maize, wheat and mahangu (pearl millet) but domestic production of all three grains is insufficient to meet demand which means the country has historically been an importer of white maize, wheat and mahangu. All three crops are classified as "controlled crops" under the Agronomic Industry Act of 1992. There are several thousand maize producers, most of whom are small communal farmers mainly in the Zambezi region but larger-scale commercial production also takes place in the "maize triangle" which lies between Otavi, Grootfontein and Tsumeb. Noteworthy is also maize production from an irrigated scheme on farm Erhardshof owned by B2Gold and adjacent to its Otjikoto mine near Otjiwarongo which is forecasting production of 2,000 tonnes for the 2024/25 season. Wheat is produced by a small number of large-scale commercial farmers using irrigation. As with maize, mahangu is produced by thousands of small communal farmers in the north, some of which is processed and sold by Namib Mills under the Meme Mahangu brand.

NDP6 sets three "Desired Outcomes" for agriculture and agro-processing:

Desired Outcome 0104
By 2030, the livestock and crops value chains are thriving and collectively contribute at least 8.0 percent to GDP from 4.6 percent.
Desired Outcome 0105
By 2030, Namibia produces 80 percent of its national food requirement from 60 percent.
Desired Outcome 0106
By 2030, agro-processing contribution to Gross Domestic Product (GDP) has increased from 7.5 to 10 percent.

The main potential changes in the agriculture sector in the period up to 2030 are as follows:

- **The Ministry of Agriculture, Fisheries, Water and Land Reform** is one of the new government's "super ministries". It is doubtful whether a ministry of this size, diversity and complexity can be successfully managed by a single minister and deputy minister. It might therefore require reform.
- The **Land Bill** is currently before Parliament. It prohibits the ownership of commercial and communal farmland by foreigners. Whilst this sends a powerful political signal it is not certain it makes a significant difference in practice since foreign ownership of farmland is already very difficult or impossible and only around 3% of commercial farmland is owned by foreigners.
- Debate over the **Veterinary Cordon Fence** (or "Red Line") has gone on since independence. It is a hated symbol of past divisions but plays a valuable role in protecting FMD-free areas in the south of the country. Elimination could imperil the export status of much of Namibia's commercial livestock sector. Cabinet approved a phased approach to lifting restrictions imposed by the veterinary cordon fence as announced in its 16th decision-making meeting of 2024. In the new parliament, vocal parliamentarians have called for its removal.
- The arrival of **Savanna Beef Namibia** as a new outlet for livestock sales by Namibian farmers and an alternative to the state-owned Meatco. For a range of reasons, competition between private and public enterprises in this sector is only likely to yield one winner leaving government to try and protect Meatco from competition, to continue to subsidise Meatco when it keeps making losses, or to close down Meatco altogether.
- A continuation of the **pork market share promotion scheme** until 2028 is likely. This will increase the number of pigs raised and slaughtered in Namibia.
- Government now has the powers to impose closed and open periods in the dairy industry in the same was as in poultry and staple grains as part of a new **National Dairy Master Plan**.
- Reform of the government's **Green Scheme** is high on the policy agenda. After years of mismanagement under state-owned AGRIBUSDEV, government appears to be prepared to bring private sector investors in to boost investment and output. However, government continues to believe that Green Scheme projects should focus on staples which are expensive to produce in Namibia. Nevertheless, if done correctly, private sector investment has the potential to massively expand the output of Green Scheme projects.

The trend towards greater investment in **high value fruits** is likely to continue. Table grapes, dates, and blueberries are already being produced, and production is likely to increase and diversify over the period, especially if the Green Scheme is opened up to foreign investors.

These considerations give rise to a pessimistic and an optimistic scenario.

Issue	Pessimistic Case	Optimistic Case
Reform Super Ministry	Remains unchanged	Reformed to improve
Land Bill	Passed in 2026	Passed but not implemented
Land Reform programme	Continues as is	Resettled farmers become more productive
Red Line	Very gradual reform	Remains the same
Pork MSPS	Pork output increases	Pork output increases even more
National Dairy Master Plan	Local industry protected	Local industry protected
Reform of Green Scheme	Green Scheme unreformed	Serious private investors brought in
High value fruits	Modest increase in output	Significant increase in output

Fishing

As far as can be told from the outside, Namibia's fishing industry has not changed significantly over many years. The participants in the industry and the products they produce have remained broadly similar over decades. Likewise, the framework which regulates the sector, including the setting of Total Allowable Catches (TACs) to long-term rights holders is unchanged. TACs have declined somewhat in recent years. There seems little prospect of pilchards returning as a major product nor of new controlled species which could inject growth into the sector. The industry operates with a fleet of 235 vessels and 30 onshore processing plants, producing more than 39 value-added fish products. One major institutional change has been the merging of the Ministry of Fisheries and Marine Resources into a new Ministry of Agriculture, Fisheries, Water and Land Reform. The industry has challenged a potential offshore phosphate mining industry and is wary of any new offshore oil and gas developments.

NDP6 sets one "Desired Outcomes" for the fishing sector:

Desired Outcome 0307:
By 2030, the contribution of the fisheries sector to GDP has increased from N$10.4 to N$10.7 billion.

The fishing sector is likely to be primarily impacted by the following factors:

- The state of Namibia's fish stocks and the TACs set for the industry.
- The reallocation of fishing rights following the review of 162 right holders granted in 2012 by 31 December 2026 and 300 right holders granted in 2020 by 30 May 2027.
- The degree to which the Minister's new policy will impact the sector.
- The degree to which the Ministry can bear down on Illegal, Unreported and Unregulated (IUU) fishing.

These considerations give rise to a pessimistic and an optimistic scenario.

Factor	Pessimistic Case	Optimistic Case
State of fish stocks	Reduced TACs	Increased TACs
Reallocation of rights	Allocated to rent seekers	Allocated to genuine businesses
New fisheries policy	Undermines investment	Promotes investment
IUU fishing	IUU increases	IUU decreases

Mining

Namibia's mining sector consists primarily of operations that belong to companies which are members of the Chamber of Mines of Namibia. However, there are companies which are not and which do not provide public information on their operations. Existing operations include those which are in production and those which are under care and maintenance which may come back into production given the right investment and mineral prices. Furthermore, there are exploration projects which have progressed to the development stage and which have received mining licences from the Ministry of Industries, Mines and Energy. These are shown in the table below.

Existing Operations	Principal Owners	Life of Mine
Uis tin mine	Andrada Mining	2045
Otjikoto gold mine	B2Gold + EVI	2032
Atlantic 1	Debmarine Namibia	2057
Langer Heinrich uranium mine	Paladin Energy + CNNC	2041
Mining Area 1 and Orange River	Namdeb	2038
Navachab gold mine	QKR + Epangelo	2042
Rosh Pinah lead and zinc mine	Appian Capital Advisory	2034
Rössing uranium mine	CNUC	2036
Husab uranium mine	CGN + Epangelo	2036
Kombat copper mine	Trigon Metals + Epangelo	2035
Sakawe Mining Corp	Atligo + Epangelo	n/a
Walvis Bay Salt and Chemicals	Walvis Bay Salt	indefinite
Salt Company	Klein family	indefinite
Tshudi copper mine	Consolidated Copper Corp	10 years
On Care and Maintenance		
Namib lead and zinc mine	Bezant Resources	7-9 years
Trekkopje	Orano	19 years
Tsumeb copper smelter	Sinomine	indefinite
Otjihase copper mine	Consolidated Copper Corp	10 years
Matchless copper mine	Consolidated Copper Corp	10 years
Okorusu fluorspar mine	Gecko Namibia	n/a
Skorpion zinc mine	Vedanta Resources	n/a
Potential New Mines		
Twin Hills gold mine ML 238 (2026)	Osino Resources	13 years
Tumas ML237 (2027)	Deep Yellow	30 years
Etango ML250 (2028)	Bannerman Mining Resources	15 years

Source: Chamber of Mines of Namibia and company websites

NDP6 sets one “Desired Outcome” for the mining sector with the number of those employed by Foreign Direct Investment enterprises rising from 15,653 in 2024 to 20,000 in 2030 and the share of total equity in mining ventures held by Namibians rising from 51% in 2024 to 60% by 2030:

Desired Outcome 0119
By 2030, Namibia has increased export of processed minerals from 46.6 to 57 percent.

The mining sector is likely to be primarily impacted by the following factors:

- International mineral prices over which Namibia has no control.
- The new Namibian Investment Promotion Bill which is currently out for consultation.
- The new Minerals Act, which government has been working on for many years but which has not yet been laid before Parliament.
- The new Namibia Equitable Economic Empowerment Bill, the latest version of which has not yet been made public.
- Governments plans to promote minerals beneficiation contained in its latest policy documents.
- Whether Anglo American’s sale of De Beers goes ahead and who the new owner will be. The governments of Angola, Botswana and reportedly Namibia have all expressed an interest to buy some or all of De Beers. Namibia is due to agree on a new Sales and Marketing Agreement with De Beers in 2026.

These considerations give rise to a pessimistic and an optimistic scenario.

Factor	Pessimistic Case	Optimistic Case
Namibian legislation	Undermines investment	Supports investment
De Beers and Namdeb	No buyer is found	New buyer is found
New mines	No new mines go ahead	Three new mines go ahead
Minerals beneficiation	No new beneficiation	Some new beneficiation

Oil and Gas

Ever since Shell and TotalEnergies announced the discovery of significant reserves of oil in the offshore Orange River basin at the beginning of 2022, drilling has intensified and discoveries by Galp and Rhino have added to potential reserves there. Meanwhile, however, Government first announced a moratorium on new Petroleum Exploration Licences (PELs) at the end of 2023 and it remains in force. This means excitement about discoveries in the Orange River basin has not translated into drilling in Namibia's four other offshore basins. Shell wrote down US$400 million of exploration expenditure at the beginning of 2025 but has announced it intends to resume drilling in 2026.

The current state of play is that five groupings have conducted extensive offshore drilling with only Shell's Cullinan and Chevron's Kapana not yielding commercial discoveries of light oil. In December 2025 TotalEnergies and Galp announced a deal on the Mopane field (PEL83) which is diagonally adjacent to the Venus field (PEL56). TotalEnergies will take a 40% operated interest in Mopane whilst Galp will take a 10% participating interest in Venus. TotalEnergies appears to be the company that is furthest ahead and closest to taking a Final Investment Decision (FID).

Shell (45%) QatarEnergy (45%) Namcor (10%) PEL39	TotalEnergies (50.5%) QatarEnergy (30%) Impact (9.5%) Namcor (10%) **TotalEnergies (35.25%)** **QatarEnergy (35.25%)** **Galp (10%)** **Impact (9.5%)** **Namcor (10%)** PEL56 **TotalEnergies (33.085%)** **QatarEnergy (33.025%)** **Galp (9.39%)** **Impact (9.5%)** **Namcor (15%)** PEL91	Galp (80%) Custos (10%) Namcor (10%) **Galp (40%)** **TotalEnergies (40%)** **Custos (10%)** **Namcor (10%)** PEL83	Rhino (42.5%) Azule (42.5%) Korres (5%) Namcor (10%) PEL85	Chevron (80%) Trago (10%) Namcor (10%) PEL90
Graff 1X La Rona 1X Jonker 1X Graff 1A Jonker 1A Lesedi 1X Cullinan 1X Jonker 2A Enigma 1X 9 wells	Venus 1X Venus 2X Nara 1X (PEL91) Venus 1A Mangetti 1X Venus 2A Tamboti 1X Marula 1X 8 wells	Mopane 1X Mopane 2X Mopane 1A Mopane 2A Mopane 3X 5 wells	Sagittarius 1X Capricornus 1X Volans 1X 3 wells	Kapana 1X 1 well

NDP6 sets two "Desired Outcomes" for oil and gas with employment rising from 2,800 in 2024 to 22,800 in 2030:

Desired Outcome 0110
By 2030, the oil production rate increased from 0 to 150 mmboe.
Desired Outcome 0111
By 2030, the gas production rate increased from 0 to 130 mmscf/d.
The oil and gas sector is likely to be primarily impacted by the following factors:

- The international oil price over which Namibia has no control.
- The new Namibian Investment Promotion Bill which is currently out for consultation.
- The new Local Content policy which has been consulted on.
- The new Gas Masterplan.
- The new Upstream Petroleum Unit in the Office of the President and its review of the oil and gas policy framework including a plan to build an oil refinery

These considerations give rise to a pessimistic and an optimistic scenario.

Factor	Pessimistic Case	Optimistic Case
Namibian legislation	Undermines investment	Supports investment
FID	No FIDs	2 FIDs
Exploration	No new exploration	More exploration

Manufacturing (excluding Green Hydrogen)

The manufacturing sector consists of a broad range of manufacturers the largest of which are meat, grain and fish processors, beverage producers, chemical producers, cement manufacturers, copper smelting, and diamond cutting and polishing operations. Zinc refining stopped in 2020 when the Skorpion zinc mine was placed under care and maintenance. Copper smelting was temporarily halted in 2025 "until the market improves" after Dundee Precious Metals completed the sale of its Tsumeb smelter to Sinomine Resource Group in 2024. Savanna Beef Namibia is likely to be operational by the end of 2025 challenging loss-making Meatco which is likely to stagger on with government subsidies. The takeover of Namibia Breweries by Heineken in 2023 has gone smoothly but operations will increasingly migrate to South Africa.
The manufacturing sector is likely to be primarily impacted by the following factors:

- The new Namibian Investment Promotion Bill which is currently out for consultation.
- How Meatco will respond to competition from Savanna Beef Namibia.
- Whether Sinomine resumes production at the Tsumeb smelter.
- Whether Skorpion zinc resumes production of SHG zinc.
- Whether Ohorongo Cement is sold to a new buyer.
- Whether De Beers is sold and diamond cutting and polishing continues in Namibia. The long-term aim of NAMDIA is to move into diamond cutting and polishing which is why it purchased NamGem. Diamond cutting and polishing companies in Namibia face seeing their EPZ incentives cease from the end of 2025.
- Whether a new Special Economic Zones Act will be passed and implemented
- Whether an FID in the offshore oil and gas industry is taken.

NDP6 sets one "Desired Outcome" for manufacturing with employment rising from 53,491 to 80,000:

Desired Outcome 0107
By 2030, the percentage share of manufacturing has increased from 10.6 percent to 18 percent.

These considerations give rise to a pessimistic and an optimistic scenario.

Factor	Pessimistic Case	Optimistic Case
Namibian legislation	Undermines investment	Supports investment
Namibian energy prices	Undermines manufacturing	Supports manufacturing
Savanna Beef Namibia	Meatco is closed	Meatco is reformed
Tsumeb smelter	Smelter is closed	Smelter is upgraded
Namzinc refinery	Refinery remains closed	Refinery reopens
Ohorongo Cement	No sale agreed	New owner reinvests
Sale of De Beers	Diamond industry closes	Diamond industry remains
FID in offshore oil and gas	No new industries develop	New industries develop

Green Hydrogen

The Namibia Green Hydrogen Council ("GHC") was created in August 2021 and the Implementation Authority Office ("IAO") was created in February 2024 funded by the EU, Germany and the Netherlands. It is responsible for putting government's green hydrogen strategy into action including planning, procurement, and monitoring of projects. It was headed by the Green Hydrogen Commissioner James Mnyupe who left his post at the end of October 2025. So far there are three functioning demonstration green hydrogen operations in Namibia: the Cleanergy Solutions Namibia's Dunes green hydrogen plant, HyIron's Oshivela green iron plant and the Dâures Green Hydrogen Village. Meanwhile Hyphen Hydrogen Energy is continuing to conduct an Economic and Social Impact Assessment for its proposed 3GW green ammonia plant in the Southern Corridor Development Initiative (SCDI), Zhero is planning to construct a green hydrogen plant, and the ports of Rotterdam and Antwerp are continuing to work with Namport to develop the ports of Lüderitz and Walvis Bay into green ammonia export terminals.

NDP6 sets two "Desired Outcomes" for green hydrogen:

Desired Outcome 0108
By 2030 green baseload electricity produced from 0.0 GWh to 143 GWh.
Desired Outcome 0109
By 2030 30,000 green hydrogen jobs created from 800 jobs.

The green hydrogen sector is likely to be primarily impacted by the following factors:

- Energy transition policies in the EU and EU commitment, including the Ports of Antwerp and Rotterdam, to Namibia.
- International changes in technology and the cost of capital which would transform green hydrogen into a commercially viable source of energy.
- The new Namibian Investment Promotion Bill which is currently out for consultation.
- Continued commitment by existing investors into long-term investment in Namibia.
- Policy changes and infrastructure planning in Namibia.

These considerations give rise to a pessimistic and an optimistic scenario.

Factor	Pessimistic Case	Optimistic Case
Namibian legislation	Undermines investment	Supports investment
Namibian planning	Undermines investment	Supports investment
Cleanergy	Put on C&M	Progresses to Phase II
HyIron	Put on C&M	Progresses to Phase II
Dâures	Put on C&M	Progresses to Phase II
Zhero	Abandoned	Progresses to Phase I
Hyphen	Abandoned	In production by 2030

Electricity

Namibia's electricity depends significantly on domestic generation from NamPower's Ruacana hydro power station which is dependent on rains and river flow. Electricity produced by NamPower is supplemented by electricity generated by 14 Independent Power Producers (IPPs). For some years NamPower has been working on five domestic generation projects that have the potential to increase domestic electricity supply. The N$1.28 billion 54MW Anixas II Diesel/HFO and the N$300 million 20MW Khan solar PV IPP, with ANIREP as the lead developer, were both inaugurated by President Mbumba in March 2025. The N$1.4 billion 50MW Lüderitz wind park IPP with a 25-year PPA with China's CERIM BOO was to be completed by July 2025 but has not yet been inaugurated. The €20 million 58MW million Omburu Battery Energy Storage System (BESS) which was initially due for completion by the end of 2024 is now expected in Q2 2026. The N$1.6 billion 40MW Otjikoto biomass is only due to start commercial operation by Q1 2027. In addition, Namibian and Angolan authorities are working towards taking an FID on the Baynes hydroelectric power station.

NDP6 sets "Desired Outcomes" for the nuclear industry with 100 trainees in nuclear science by 2030 and for energy infrastructure:

Desired Outcome 0112
By 2030, the nuclear industry's contribution to GDP has increased from 3.2 to 4 percent.
Desired Outcome 0128
By 2030, Namibia has a sustainable mix of locally generated energy capacity by increasing installed generation capacity from 734MW to 1,153MW.
Desired Outcome 0129
By 2030, Namibia's access to electricity to support industry and household development increased from 59.3 to 70 percent.

The electricity sector is likely to be primarily impacted by the following factors:

- Rainfall and river flow affecting the Ruacana hydroelectric plant.
- Regulation and pricing which are conducive to investment in new generating capacity.
- NamPower's ability to bring the projects currently underway to successful completion.
- Improvements in the transmission grid.
- The establishment of a new energy regulator.

These considerations give rise to a pessimistic and an optimistic scenario.

Factor	Pessimistic Case	Optimistic Case
Regulation and pricing	Undermines investment	Supports investment
Anixas II	Inaugurated in March 2025	Inaugurated in March 2025
Omburu battery storage	Significantly delayed	Slight delay
Lüderitz wind park	Significantly delayed	Slight delay
Otjikoto biomass plant	Significantly delayed	Slight delay
Khan solar PV plant	Significantly delayed	Inaugurated in March 2025
Baynes hydroelectric	FID delayed beyond 2030	FID taken before 2030
Upgrading transmission grid	Not upgraded	Upgraded

Water

Namwater announced plans to build Namibia's second desalination plant in September 2024. The N$3 billion plant, which will be financed by Swakop Uranium owned by China General Nuclear Power Group and produce 20-25 million cubic metres of water a year, were envisaged to be operational by the end of 2026.

NDP6 sets one “Desired Outcome” for the water sector with the number of desalination plants rising from 3 in 2024 to 4 in 2030:

Desired Outcome 0130
By 2030, Namibia has an integrated bulk water infrastructure with an increased capacity
from 1,608Mm³ to, 2,100Mm³ for domestic, agriculture, and industrial production for social and economic development.

The water sector is likely to be primarily impacted by the following factors:

- Rainfall patterns across Namibia.
- The establishment of a new water regulator as laid out in the Water Resources Management Act of 2013 and the introduction and enforcement of water pricing which would allow Namwater to increase its levels of investment including in maintenance of existing infrastructure.
- Namwater’s ability to make progress on a new coastal desalination plant.

These considerations give rise to a pessimistic and an optimistic scenario.

Factor	Pessimistic Case	Optimistic Case
New water regulator	Undermines investment	Promotes investment
Infrastructure maintenance	Insufficient	Sufficient
Second desalination plant	Abandoned	Completed by 2030

Construction

Namibia’s construction sector suffered a prolonged slump which began in 2016 following the completion of a series of major public and private sector capital projects which added to fiscal consolidation that government was forced to carry out. Since then, ever more limited public and public enterprise spending on new capital projects combined with weak private sector investment has depressed the sector from which is it only recently starting to recover.

The construction sector is likely to be primarily impacted by the following factors:

- The investment climate in Namibia which includes whether the new Namibia Investment Promotion Act will undermine or promote investment.
- Levels of private, SOE and government investment across the economy in the period to 2030.
- The public finances and how much government allocates to public infrastructure projects.
- The ability of SOEs to finance new infrastructure.

These considerations give rise to a pessimistic and an optimistic scenario.

Factor	Pessimistic Case	Optimistic Case
Investment climate	Low capital investment	High capital investment
Government finances	Low capital investment	High capital investment
SOE reform	Low capital investment	High capital investment

Wholesale and Retail Trade

Generally speaking, higher employment, higher household incomes, higher welfare payments, and lower interest rates stimulate consumer spending and therefore the wholesale and retail trade sector.

The trade sector is likely to be primarily impacted by the following factors:

- The number of new jobs created during the period.
- Whether those in employment experience an increase in wages.
- Whether those receiving cash grants experience an increase in payments.
- Whether inflation and interest rates will remain low. The SARB has adopted a new inflation target of 3% which suggests inflation and interest rates may be lower over the coming years. Inevitably, consumer inflation and interest rates vary constantly but there is a good chance that on average they will be lower in the period to 2030 than they have been in the past.

These considerations give rise to a pessimistic and an optimistic scenario.

Factor	Pessimistic Case	Optimistic Case
Employment	Employment stagnates	Employment grows
Wages	Wages stagnate	Wages increase
Cash grants	Cash grants stagnate	Cash grants increase
Consumer inflation	Inflation rises	Inflation falls
Interest rates	Interest rates rise	Interest rates fall

Hotels and Restaurants

Namibia's hotels and restaurant sector is driven by domestic consumer spending and spending by foreign tourists. Domestic spending will be determined largely by the factors mentioned under Retail and Wholesale Trade whereas foreign tourist arrivals will be determined largely by Namibia's attractiveness as a tourist destination compared to other destinations as well as the success of marketing Namibia internationally assuming that peace and stability as well as relatively low levels of crime are likely to prevail during the period in question.

NDP6 sets two "Desired Outcomes" for the tourism and gaming sector with the number of jobs in the sector rising from 57,571 in 2024 to 80,000 by 2030:

Desired Outcome 0117
By 2030, Namibia has an integrated and inclusive tourism industry with increased tourist arrivals from 863,872 to 1,800,000.
Desired Outcome 0118
By 2030, the percentage share of the tourism sector's contribution to GDP has increased from 1.6 to 5 percent and revenue from the gaming industry increased from N$32 million to N$76.5 million.

The hotel and restaurant sector is likely to be primarily impacted by the following factors:

- Domestic consumer demand for hotel and restaurant services.
- The relative attractiveness of Namibia as a tourist destination in the eyes of foreign tourists.
- Whether Namibia can break into significant new tourist markets.
- Whether peace, stability and low levels of crime continue to prevail even in a state of rising poverty and unemployment. Recent developments in Tanzania underline once again how sensitive the tourism industry is to social and political unrest.

These considerations give rise to a pessimistic and an optimistic scenario.

Factor	Pessimistic Case	Optimistic Case
Domestic demand	Demand stagnates	Demand grows
Attractive tourist destination	Attractiveness declines	Attractiveness improves
New tourist markets	No new tourist markets	New tourist markets
Peace, stability and crime	Deteriorates	Improves

Transport and Storage

Namibia is positioning itself as a global gateway to Southern Africa through improvements in its port and road infrastructure, which includes a 25-year agreement with TIL to operate the container terminal at Walvis Bay.

International air connectivity through Hosea Kutako International Airport and Walvis Bay International Airport has improved recently with a new Discover flight from Munich to Windhoek and from June 2026 a new Edelweiss seasonal flight from Zurich in Switzerland to Windhoek. Meanwhile, private airline Proflight will provide direct flights between Zambia and Windhoek from March 2026. Government has announced its intention to establish a new national airline, Namibia Air.

A major challenge is to encourage more freight from Namibia's roads onto the rail network. However, this is held back by the poor state of the rail tracks and TransNamib's fleet of ageing locomotives. The tender for new GE locomotives was halted in early 2025. A solution adopted in South Africa is to allow private sector train operators onto the state-owned rail network.

NDP6 sets four "Desired Outcomes" for the transport and logistics sector:

Desired Outcome 0124
By 2030, Namibia has an efficient, safe, secure, and sustainable road infrastructure and services.
Desired Outcome 0125
By 2030, Namibia has an efficient, safe, secure, and economically sustainable civil aviation system.
Desired Outcome 0126
By 2030, Namibia has an efficient, safe, secure, and environmentally sustainable maritime system.

Desired Outcome 0127
By 2030, Namibia has an efficient, safe, and sustainable railway transportation system.

The transport and storage sector is likely to be primarily impacted by the following factors:

- Economic growth in Namibia and the Southern Africa region.
- Namport's ability to create and maintain competitive port infrastructure.
- Namibia's ability to improve road infrastructure between the ports and the rest of Southern Africa.
- Namibia's ability to create improved air connectivity.
- Namibia's ability to move freight from the road to the rail network.

These considerations give rise to a pessimistic and an optimistic scenario.

Factor	Pessimistic Case	Optimistic Case
Port infrastructure	Uncompetitive	Competitive
Road infrastructure	No improvement	Significant improvement
Rail infrastructure	No improvement	Significant improvement
Air connectivity	Some improvement	Significant improvement
Namibia Air	Loss-making and unsustainable	Profitable and sustainable

Information and Communication

Namibia's telecoms sector is dominated by MTC which, since listing in 2021, is no longer classified as a public enterprise although it remains majority owned by the State. MTC is rolling out 5G across the country. Google's Equiano cable landed in Namibia in 2022. Telecom Namibia remains a limited player in the sector while privately-owned Paratus is making aggressive inroads into the market. Software company turned telecoms operator Loc8 recently became just the third company to be awarded a 5G mobile licence and aiming to launch in Q1 2026. CRAN withheld a licence from Elon Musk's Starlink in November 2024 on the grounds that it is not 51% Namibian-owned as set out in the Communications Act of 2009. Granting Starlink a licence would require a special ministerial exemption. This could be done through more than one Namibian licensee to ensure a degree of competition. Nampost meanwhile continues to provide a range of valuable services, including to more isolated rural communities.
NDP6 sets two "Desired Outcomes" for Digital Infrastructure, Emerging Technologies, and Cybersecurity with the number of people using the internet rising from 53% in 2024 to 90% by 2030:

Desired Outcome 0131
By 2030, Namibia is a player in the global digital economy, with improved access to technologies from the average of 28 to 70 percent.
Desired Outcome 0132
By 2030, Namibia has a robust technological infrastructure with internet use increasing from 53 to 90 percent.

The information and communications sector is likely to be primarily impacted by the following factors:

- The roll out of 5G services across the country.
- Whether Paratus, Telecom and newcomer Loc8 can continue to apply competitive pressure to MTC.
- Whether Starlink is granted a licence to enter the Namibian market.

These considerations give rise to a pessimistic and an optimistic scenario.

Factor	Pessimistic Case	Optimistic Case
Roll out of 5G	Limited roll out	Extensive roll out
Competition to MTC	Limited competition	High degree of competition
Starlink	Remains unlicensed	Licensed

Private Sector, Foreign Investment and National Infrastructure

Our scenarios are addressed sector by sector but NDP6 contains a number of additional Desired Outcomes for private sector development, foreign investment and national infrastructure:

Desired Outcome 0115:
By 2030, the total private sector contribution to GDP increased from 78 to 85 percent.
Desired Outcome 0116:
By 2030, Namibia has a developed, resilient and competitive private sector improving (the Heritage Foundation's) Economic Freedom Score from 58 to 65 percent.
Desired Outcome 0120
By 2030, FDI has increased from N$207 to N$254 billion.

Desired Outcome 0121
By 2030, Namibia has increased its value of exports from N$102.1 to N$168 billion.
Desired Outcome 0122
By 2030, Namibia has reduced Illicit Financial Flows (IFFs) as a percentage of GDP from 9 to 5 percent.

Desired Outcome 0123
By 2030, Namibia will have a robust core network of national economic infrastructure that meets the needs of households and industries.

7. Fiscal Policy and Government

The Mid-Year Budget Review tabled on 21 October 2025 provides the latest insight into Namibia's public finances. The key highlights were:

- Reduced overall revenue as a result of lower than expected growth. Revenues from diamonds declined but was compensated by higher revenues from gold and uranium.
- Expenditure remained the same as in the main budget but there was some redistribution of expenditure from the development budget to the operational budget to meet new priorities in education, health and the UPU.
- Namibia's second Eurobond (US$750 million) was fully redeemed on 29 October 2025 but monies from the sinking fund had to be supplemented with new debt from three of Namibia's commercial banks. The Minister stated that the Rapid Financing Instrument (RFI) loan from the IMF would be fully repaid by January 2026.

The upshot of all this is that the budget deficit was higher than anticipated and, although the level of foreign debt has declined, the total stock of public debt has increased and is estimated to reach 67.5% by the end of the financial year. The Minister failed to maintain an important commitment inherited from the previous minister of finance, namely to maintain a primary budget surplus and this year she expects to run a small primary budget deficit. She committed to taking on foreign loans only on concessional and semi-concessional terms.
Government finances are likely to be primarily impacted by the following factors:

- The extent to which the economy grows and translates into revenues for government. Really significant increases in government revenue from the oil and gas sector are likely to materialise only in the mid-2030s even if an FID is taken in 2026. NDP6 does not contain policies on the Welwitschia Sovereign Wealth Fund. The Minister is committed to drawing up a "comprehensive medium-term revenue strategy".
- The extent to which spending is allowed to grow. The Minister is committed to carrying out "public expenditure reviews" with the aim of eliminating wasteful spending.
- Whether the Minister sticks to her commitment to maintain a primary budget surplus. This will effectively cap expenditure.
- The extent to which the Minister is able to identify wasteful spending and reallocate this towards more productive ends. We assume there will be no wholesale reform of the public sector, no significant reduction in the number of public sector workers, and no meaningful SOE reform.

Limited revenues will inevitably place limits on the growth of the government sector. The well-established pattern in Namibia is that limited revenues lead to cuts in capital rather than recurrent spending. In the last resort, government can issue more debt and force local funds to purchase it by raising the domestic asset requirement from 45%.

These considerations give rise to a pessimistic and an optimistic scenario.

Factor	Pessimistic Case	Optimistic Case
Revenue growth	Limited revenue growth	Significant revenue growth
Expenditure restraint	Limited spending restraint	Significant spending restraint
Debt	Debt exceeds 70% of GDP	Debt falls below 60% of GDP
Capital spending	Low capital spending	High capital spending
Domestic asset requirement	Increases	Decreases

8. Regulators

Namibia's current and draft legislation as well as its current plans envisage several new regulatory bodies which will add to or supersede existing regulatory bodies as shown in the table below.

Table: Existing and Potential New Regulators

Policy Area	Existing Regulators	Potential New Regulators
Banking	Bank of Namibia (BoN)	
Business Registration	Business and Intellectual Property Authority (BIPA)	
Communications	Communications Regulatory Authority of Namibia (CRAN)	Office of the Access to Information Commissioner
Employment	Employment Equity Commission (EEC)	
Employment	Employment Services Bureau	
Electricity	Electricity Control Board (ECB)	Namibia Energy Regulatory Authority (draft NERA Bill)
Gas		Namibia Energy Regulatory Authority (draft NERA Bill)
Green Hydrogen	Green Hydrogen Implementation Authority Office	
Nuclear industry		Nuclear regulator
(Nuclear Institute of Namibia – NDP6)		
Environment	Environmental Commissioner	
Competition	Namibian Competition Commission (NaCC)	
Non-Banking Financial Services	Namibia Financial Institutions Supervisory Authority (NAMFISA)	
Investment	Namibia Investment Promotion and Development Board (NIPDB)	Namibia Investment Promotion Agency (draft NIP Bill)
Taxation	Namibia Revenue Authority (NamRA)	
Tourism	Namibia Tourism Board (NTB)	
Training	Namibia Training Authority (NTA)	
Teaching		Teaching Regulator (Manifesto)
Mining	Office of the Mining Commissioner	
Social Security	Social Security Commission (SSC)	
Upstream Petroleum		Petroleum Regulatory Agency (SMIP)
Upstream Petroleum		Upstream Petroleum Unit (UPU)
Water	Water Regulator (Water Resources Management Act 2013)	
Economic Empowerment		Office of the Commissioner of Equitable Economic Empowerment (draft NEEE Bill)
Corruption	Anti-Corruption Commission	Office of Whistleblower Protection

9. Conclusion

This short paper has attempted to outline pessimistic and optimistic scenarios for the coming five years. Realistically it must be accepted that many important variables lie outside the influence of Namibia. Global geopolitics and the global economy, including international oil and other mineral prices on which investment decisions in Namibia depend, form a stormy sea upon which Namibia has to sail. However, much also depends on actions taken in Namibia, especially by policymakers and regulators. With the right policies and effective implementation, Namibia could experience significantly enhanced levels of public, private and foreign investment across the economy which would generate growth and much-needed employment whilst addressing the challenges of energy and water security. Determined action to streamline burdensome regulation as well as to prevent corruption and improve transparency would provide added dynamism. A Final Investment Decision in the oil and gas sector is the single most important thing that would boost economic confidence and set the tone for the coming five years.

About the Author

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About the Institute for Public Policy Research (IPPR)

The Institute for Public Policy Research (IPPR) was founded in 2001 as a not-for-profit organisation with a mission to deliver, independent, analytical, critical yet constructive research on social, political and economic issues that affect development Namibia. The IPPR was established in the belief that development is best promoted through free and critical debate informed by quality research.

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