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NAMIBIA'S NATIONAL BUDGET 2026/27:

Treading A Fine Line



The national budget tabled by Minister of Finance Ericah Shafudah on 26 February 2026 treads a fine line between maintaining fiscal discipline on the one hand and meeting the spending priorities announced by the new Government since 21 March 2025 on the other.

Weak economic and revenue growth greatly limited her room for manoeuvre. True to her word, she targeted a primary budget surplus for the coming financial year by limiting operational expenditure outside the key priority areas of education and health, severely restraining development (capital) spending, and all but eliminating transfers to public enterprises. A budget deficit of 5.5% of GDP will see total public debt rise to 67.8% of GDP by the end of FY26/27.

BY ROBIN SHERBOURNE

Introduction

Finance Minister Ericah Shafudah tabled her second national budget in Parliament on 26 February 2026 under the theme “People, Productivity, Prudence”. Although only appointed a year ago, Shafudah is far from inexperienced having pursued a long career in the Ministry starting in 2002 and culminating in her being appointed Permanent Secretary (Executive Director). Her first budget had been largely inherited from her predecessor which tied her hands for the subsequent Mid-Year Budget Review (MYBR) of last October. This budget therefore represents her first real opportunity to stamp her authority on the nation’s finances.

The key question was whether she would opt for fiscal responsibility or yield to the economic populism contained in the SWAPO Party’s policy documents: the SWAPO Manifesto, the SWAPO Manifesto Implementation Plan (SMIP), or the Government’s National Development Plan 6 (NDP6).

Table 1: Estimated Growth Rates and Forecasts Since Covid

	2020	2021	2022	2023	2024	2025	2026
Budget FY20/21 (27 May 2020)							
GDP Growth	-6.6%	-1.1%	3.6%	2.2%	n/a	n/a	n/a
MYBR FY20/21 (20 October 2020)							
GDP Growth	-7.9%	2.2%	3.9%	n/a	n/a	n/a	n/a
Budget FY21/22 (17 March 2021)							
GDP Growth	-7.3%	2.1%	2.8%	n/a	n/a	n/a	n/a
MYBR FY21/22 (3 November 2021)							
GDP Growth	-8.5%	1.9%	2.8%	3.4%	2.7%	n/a	n/a
Budget FY22/23 (24 February 2022)							
GDP Growth	-8.5%	1.2%	2.9%	3.7%	2.5%	n/a	n/a
MYBR FY22/23 (25 October 2022)							
GDP Growth	-8.0%	2.7%	2.8%	3.4%	2.9%	n/a	n/a
Budget FY23/24 (22 February 2023)							
GDP Growth	-8.0%	2.7%	4.0%	3.2%	2.2%	n/a	n/a
MYBR FY23/24 (31 October 2023)							
GDP Growth	-8.1%	3.5%	4.6%	3.5%	2.9%	3.4%	n/a
Budget FY24/25 (28 February 2024)							
GDP Growth	-8.1%	3.5%	6.4%	5.6%	4.0%	3.9%	n/a
MYBR FY24/25 (28 October 2024)							
GDP Growth	-8.1%	3.5%	5.3%	4.2%	3.6%	5.4%	n/a
Budget FY25/26 (27 March 2025)							
GDP Growth	-8.1%	3.6%	5.4%	4.4%	3.7%	4.5%	4.7%
MYBR 2025/26 (21 October 2025)							
GDP Growth	-8.1%	3.6%	5.4%	4.4%	3.7%	3.3%	3.6%
Budget 2026/27 (26 February 2026)							
GDP Growth	-8.1%	3.6%	5.4%	4.4%	3.7%	2.9%	3.1%

Source: National Accounts and Budget Documents

Minister Shafudah presented the latest GDP growth estimate of 2.9% and 3.1% for 2025 and 2026 respectively. These have been steadily revised downwards since her first budget was tabled on 27 March 2025 when she forecast 4.5% and 4.7% as shown in Table 1. A realistic assessment of growth prospects as the foundation for the revenue forecast contained in the budget is to be welcomed although it is a striking contrast to the NDP6 ambition to achieve growth of 7% by 2030.

Revenue Highlights – Limited Revenue Growth as SACU Compensates for Decline in Corporate and Mining Revenues

Total revenue and grants are estimated to amount to N\$89.6 billion in FY26/27 or 31.3% of forecast GDP, just 2.5% higher than the revised estimate of N\$87.4 billion in FY25/26 and lower than the N\$89.1 billion actually collected in FY24/25. This is a small real terms decrease given inflation was 2.9% in January 2026. The modest increase in revenue is the outcome of higher revenues from most main sources of tax revenues, especially higher SACU revenues, which make up for reductions in mining and non-mining corporate income tax revenue as well as non-tax revenue as shown in Table 2. Revenue from both non-diamond mining and non-mining companies are expected to decline in FY26/27 compared to the revised estimates for FY25/26. The weak performance of diamond mining continues to impact on tax receipts from the sector. This is also reflected in receipts from diamond and other mineral royalties and the lack of dividends from Namdeb and the Namibia Diamond Trading Company, both of which are classed as non-tax revenue. Surprisingly Namib Desert Diamonds (Namdia) is expected to pay N\$50 million in dividends in FY26/27 and subsequent years, surely a case of wishful thinking?

Table 2: Changes in Revenue Streams (N\$m)

Revenue Stream	FY23/24	FY24/25	FY25/26	FY26/27	FY26/27
	Actual	Actual	Revised	Budget	% change
Income tax on individuals	18,560	19,287	18,138	19,194	+5.8%
Corporate income tax	11,038	12,599	13,945	13,157	-5.7%
VAT	17,303	19,708	20,861	22,262	+6.7%
SACU	24,348	23,639	21,968	24,341	+10.8%
Total tax revenue	75,493	84,792	79,063	82,970	+4.9%
Non-tax revenue	5,983	4,266	8,334	6,583	-21.0%
Total revenue and grants	81,488	89,071	87,408	89,558	+2.5%

Source: Fiscal Strategy 2026 Annexure 1

Tax Policy Highlights – Waiting for the Income Tax Amendment Bill

In her budget speech in March 2025 Minister Shafudah announced a range of relatively minor tax changes which were to be contained in an Income Tax Amendment Bill. At the last MYBR the Minister anticipated the Bill would be passed into law “by the end of the financial year” but she now says it is still under legal review and will be presented to Parliament “in Q2 2026”. The tax amnesty which was launched in 2017 is still due to expire on 31 October 2026.

The Minister announced a range of new tax proposals for the coming period FY26/27 to FY28/29 including reviewing and updating depreciation allowances, introducing mandatory disclosure for aggressive tax planning, adjusting income tax brackets to reduce fiscal drag, introducing Special Economic Zones (SEZs - so long in preparation), amending the Petroleum Income Tax Act, amending VAT to support agriculture and the creative industries, modernising the VAT Act and implementing e-invoicing, reviewing the tax deductibility of spending on Corporate Social Responsibility, streamlining taxation from international sporting events, and clarifying the treatment of properties within corporate group structures. There was no explicit mention of the “medium-term revenue strategy” mentioned in the last MTBR but it is assumed that these tax changes form part of it.

Expenditure Highlights – Limited Development Spending to Maintain a Primary Surplus

Total expenditure is estimated to rise in nominal terms by just 0.1% to total N\$106.0 billion in FY26/27 which includes N\$81.3 billion on operational expenditure, N\$8.5 billion on development expenditure (N\$6.5 billion through the budget), and N\$16.2 billion on debt servicing costs while N\$2.6 billion project funding is provided for outside the State Revenue Fund. This total amounts to 37.1% of forecast GDP, lower than the revised figure of 40.4% for FY25/26 which was high by historical standards. Projected revenues therefore just about cover projected expenditure excluding statutory payments and the Minister forecasts a primary budget surplus (revenues exceed total spending excluding debt service payments) of N\$438 million or 0.2% of forecast GDP. Once again, Minister Shafudah went out of her way to emphasise the importance of maintaining a primary budget surplus saying the nation stood at a “fiscal crossroads” and that:

“the Government, under the leadership of Her Excellency Dr Netumbo Nandi-Ndaitwah, the President, resolved that the Government should restore a positive primary fiscal balance stance for the FY2026/27 and MTEF period, after the negative primary balance recorded in the FY2025/26.”

However, statutory expenditure on debt servicing is expected to represent 18.1% of projected revenues which means that Government once again breaches its own target of 10% of revenues on interest payments.

Table 3: Total Spending by Sub-Division through State Revenue Fund (N\$m)

Sub-Division	FY21/22 Actual	FY22/23 Actual	FY23/24 Actual	FY24/25 Actual	FY25/26 Revised	FY26/27 Budget
Operational						
Personnel Expenditure	30,210	31,472	32,270	35,482	37,012	40,072
Good and Services	8,038	8,369	9,894	11,436	12,937	10,013
Subsidies Other Transfers	18,075	19,501	25,386	29,618	28,845	29,864
Interest and Guarantees	7,737	9,466	11,941	13,099	14,369	16,218
Acquisition of Capital Assets	619,701	1,401	1,160	1,758	1,378	
Capital Transfers	3	3	3	23	51	22
Development						
Goods and Services	118	187	347	421	575	661
Acquisition of Capital Assets	3,334	4,026	2,315	3,013	4,559	3,464
Capital Transfers	1,241	698	3,159	4,195	3,678	2,454
Total	70,302	74,533	86,718	98,448	103,784	104,146

Source: Estimates of Revenue and Expenditure (Table 6a)

Total budgeted spending (operational plus development) through the State Revenue Fund in FY26/27 broken down by sub-division is shown in Table 3 above. The public sector wage bill is projected to take up 38.5% of total budgeted spending in FY26/27. Provision was made for a 5% increase in public sector salaries in both FY26/27 (for Grades 13 to 1) and FY27/28 (for Grades 15 to 1). Grades 15 and 14 will receive a standardised monthly increase of N\$700 in FY26/27.

Table 4 shows total Government spending by vote divided into operational and development spending. The final column shows the percentage change in total expenditure for each Vote between FY25/26 and FY26/27. The following changes are of note.

Although operational expenditure rose from N\$95.0 billion in FY25/26 to N\$97.6 billion in FY26/27, most Votes experienced either only a modest increase or a cut which allowed significant increases in allocations to Vote 10 (Education, Arts and Culture), Vote 13 (Health and Social Services), Vote 38 (Water and Marine Resources), and Vote 39 (Home Affairs, Immigration, Safety and Security). This reflects the priorities of the new government, in particular provision for the commitment to free tertiary education which required an additional N\$2.8 billion in FY26/27 (some 134,079 students are projected to register in tertiary education this coming year) and the recruitment of health professionals for which N\$259 million is being budgeted.

The Minister did not mention the Namibia Students Financial Assistance Fund (NSFAF) in her speech. The Fiscal Strategy document says its debt has been retired whilst the Estimates of Revenue and Expenditure show N\$2.5 billion has been allocated to it for FY26/27 under Vote 10 (Education, Innovation, Youth, Sports, Arts and Culture) Main Division 13 (Higher Education). This is presumably a reformed NSFAF which transfers funds to institutions of higher education rather than lending them to students. At the same time transfers to UNAM rise from a revised N\$1,381 million in FY25/26 to N\$1,900 million in FY26/27 while transfers to NUST rise from a revised N\$576 million in FY25/26 to N\$631 million in FY26/27. However, transfers to subsidised tertiary education: public institutions rise from a revised N\$405 million in FY25/26 to N\$1,214 million in FY26/27. Vote 10 accounts for 26.9% of total expenditure including statutory payments in FY26/27. Minister Shafudah did not clearly explain how the new tertiary education system would work financially.

Almost all Votes suffered a cut in development expenditure with the one main exception being Vote 07 (International Relations and Trade) which is allocated N\$1.369 billion in FY26/27.

Table 4: Operational, Development and Total Expenditure by Vote

Vote		Operational Expenditure			Development Expenditure			Total Expenditure			
		Actual 2024/25	Revised 2025/26	Budget 2026/27	Actual 2024/25	Revised 2025/26	Budget 2026/27	Actual 2024/25	Revised 2025/26	Budget 2026/27	
1	President	880	1,263	1,062	103	200	152	983	1,463	1,214	-17.0%
2	Prime Minister	1,921	629	485	5	37	50	1,926	666	535	-19.7%
3	National Assembly	173	408	414	-	35	3	173	443	417	-6.0%
4	Auditor General	124	132	133	-	-	-	124	132	133	1.0%
7	International Relations and Trade	988	1,073	1,151	66	90	218	1,054	1,163	1,369	17.7%
8	Defence	6,738	6,895	6,948	398	589	588	7,137	7,484	7,536	0.7%
9	Finance	21,374	28,751	29,065	436	27	30	21,809	28,778	29,095	1.1%
10	Education, Arts and Culture	17,508	24,616	27,413	844	939	588	18,352	25,555	28,001	
11	National Council	118	139	134	8	1	-	125	140	134	-4.5%
13	Health and Social Services	10,731	11,673	12,626	257	622	490	10,988	12,296	13,116	6.7%
14	Labour Relations	197	237	231	0	2	-	197	239	231	-3.2%
15	Mines, Energy and Industry	237	502	506	175	361	321	412	862	827	-4.1%
16	Justice	601	398	410	71	95	51	672	493	461	-6.6%
17	Urban and Rural Development	1,504	1,441	1,205	1,051	1,234	744	2,555	2,675	1,949	-27.1%
18	Environment and Tourism	620	723	664	94	70	73	714	793	737	-7.1%
19	Industrialisation and Trade	311	-	-	49	-	-	360	-	-	
21	Judiciary	441	457	497	-	51	15	441	508	512	0.8%
22	Fisheries and Marine Resources	269	-	-	3	-	-	272	-	-	
23	Works	608	656	499	78	131	94	686	787	593	-24.7%
24	Transport	283	419	285	2,086	2,273	1,790	2,369	2,693	2,075	-22.9%
26	National Planning Commission	224	307	278	-	60	5	224	367	283	-23.0%
27	Sport, Youth and National Services	536	754	507	36	265	243	571	1,019	750	-26.4%
28	Electoral Commission	632	678	181	-	-	-	632	678	181	-73.3%
29	Information and Communication Technology	571	639	588	123	203	94	694	842	682	-19.0%
30	Anti-Corruption Commission	77	97	89	-	6	20	77	103	109	6.3%
31	Defence and Veteran Affairs	1,407	1,529	1,516	2	7	7	1,409	1,535	1,523	-0.8%
32	Higher Education, Technology and Innovation	5,005	-	-	147	-	-	5,152	-	-	
35	Office of the Attorney-General	-	266	267	-	4	-	-	269	267	
36	Gender Equality and Child Welfare	7,879	442	402	15	18	15	7,894	461	417	-9.4%
37	Agriculture and Land Reform	1,585	2,044	1,474	484	478	353	2,069	2,522	1,827	-27.6%
38	Water and Marine Resources	253	356	649	717	579	378	971	934	1,027	9.9%
39	Home Affairs, Immigration, Safety and Security	7,024	7,449	7,888	380	435	259	7,404	7,884	8,147	3.3%
40	Education	-	-	-	-	-	-	-	-	-	
Total		90,819	94,972	97,567	7,629	8,812	6,579	98,448	103,784	104,146	0.3%

Source: Estimates of Revenue and Expenditure

Table 5 below shows the subsidies and current transfers to commercial public enterprises listed in Annexure 1 (which do not correspond to those listed under Vote 09: Ministry of Finance and Public Enterprises) Main Division 17: Corporate Governance and Financial Advice). The striking feature here is just how few commercial public enterprises are receiving transfers in FY26/27. This table has in recent years included a wide range of supposedly commercial public enterprises including Agribank, Agricultural Marketing and Trade Agency, Development Bank of Namibia, Epangelo Mining Company, Lüderitz Waterfront Development Company, Namibia Industrial Development Agency, Roads Contractor Company, TransNamib, and Zambezi Waterfront. Overall, current transfers to public enterprises (commercial and other) falls from a revised N\$1,347 million in FY25/26 to just N\$616 million in FY26/27. The President's flagship National Youth Development Fund receives an allocation of N\$50 million in FY26/27 under Vote 09 (Finance). Vote 09 Main Division 17 remains with the Finance Vote and no equivalent Main Division appears under Vote 02 of the Prime Minister.

In her speech, Minister Shafudah says she is trying to enhance the role of State-Owned Enterprises in supporting the development agenda by encouraging them to raise funds outside the budget. Starting with two SOEs, the National Housing Enterprise has secured a loan of N\$1.5 billion for the construction of new houses while the Road Fund Administration will receive fuel levy revenues to fund the construction and rehabilitation of roads.

Apparent is that domestic and foreign loan guarantees are expected to increase from N\$7.6 billion in FY2025/26 to N\$11.8 billion in FY2026/27. Commercial public enterprises should be exposed to the discipline of commercial lending on the strength of their own balance sheets (even if some require a loan guarantee) rather than relying on transfers from the budget (where discipline is all but non-existent) and this is a welcome development.

Unfortunately, budget documents still do not contain a list of loan guarantees by borrowing SOEs. The Fiscal Strategy document retains the aim of limiting guarantees ("contingent liabilities") to below 10% of GDP.

Table 5: Subsidies and Transfers to Commercial Public Enterprises in FY26/27 Under Vote 09 Finance (Annexure 1)

Commercial Public Enterprise	Allocation (N\$m)
Meatco (servicing of loan facility at DBN)	112.0
Seed Capital for Venture Capital Fund at DBN	41.0
Total	153.0

As far as development spending is concerned (mainly capital expenditure), the main spenders (receiving N\$100 million or more) are presented in Table 6 in descending order.

Together the 12 Votes listed receive N\$9.1 billion or 93% of all development spending. It has long been a concern that capital projects are not subjected to rigorous scrutiny before being included in the development budget. The Minister addressed this concern by stating the following (paragraph 78):

"To strengthen public investment efficiency, the government is implementing targeted reforms to improve project preparation and execution. The National Planning Commission and the Ministry of Finance will introduce minimum project-readiness requirements before any project enters the Development Budget, including feasibility assessments, verified costing, procurement readiness, and clear implementation timelines."

If implemented correctly this should minimise the number of unproductive "white elephants" financed. The Minister seems to want fewer but better-quality capital projects.

Table 6: Votes receiving Development Allocations greater than N\$100 million in FY26/27

Vote	Allocation (N\$)
Transport (Vote 24)	1,789,678,000
Urban and Rural Development (Vote 17)	744,337,000
Education (Vote 40)	588,365,000
Defence (Vote 08)	587,500,000
Health and Social Services (Vote 13)	489,700,000
Water and Marine Resources (Vote 38)	378,000,000
Agriculture and Land Reform (Vote 37)	352,910,000
Mines, Energy and Industry (Vote 15)	320,660,000
Home Affairs, Immigration, Safety and Security (Vote 39)	258,750,000
Sport, Youth and National Service (Vote 27)	243,400,000
International Relations and Trade (Vote 07)	218,126,000
President (Vote 01)	152,000,000
Total Development Spending	6,579,148,000

Other issues of note include:

- The monthly Old Age Grant (pension) and Disability Grant were raised by N\$100 per month to N\$1,700 per month. As promised last year, the Ministry of Finance, the Bank of Namibia, and payment service providers are working together to improve financial inclusion through affordable digital payment services, focusing on rural communities and the informal sector. This initiative will facilitate quick, secure government payments, reducing travel distances and queues for pensioners. The transition from cash disbursements with NamPost to digital channels will occur under the Instant Payment System, set to be launched in the third quarter of this year. Grants Management now falls under the Finance Vote 09 Main Division 18 (Social Grant).
- N\$109.0 million is allocated to the Anti-Corruption Commission, an above inflation increase over the previous year's N\$102.5 million of which N\$10 million will be used to fund "critical positions". Might this be a signal that the new President does indeed intend to really tackle corruption which she says should be treated "like treason"?
- In past budgets former Minister Shiimi attempted to get to grips with reforming the costly Public Servants Medical Aid Scheme (PSEMAS) after reporting that a first report had been received by the consultant hired to examine the issue. This year PSEMAS receives an allocation of N\$3.2 billion in FY26/27 under Vote 09 Main Division 08 (Medical Aid Scheme) slightly less than in FY25/26. Having mentioned PSEMAS in her first budget speech last year, the issue was conspicuous by its absence in this year's speech despite the current debate about civil servants being obliged to use state health facilities.
- The new Upstream Petroleum Unit (UPU) established by the President last year receives N\$19.310 million in FY26/27 under Vote 01 Main Division 10 (Promotion of Oil and Gas) compared to N\$16.978 million in FY25/26 (although N\$50 million was allocated in the last MYBR. The term UPU is not used in budget documentation and was not explicitly mentioned in the budget speech. However, the Ministry of Industries, Mines and Energy continues to receive allocations for promotion of oil and gas development under Vote 15 Main Division 07 (Petroleum Affairs) to the tune of N\$12.362 million in FY26/27.
- Once again, the N\$16.2 billion allocated to statutory interest payments is greater than the amounts allocated to any single vote apart from Education (Vote 40) and Finance (Vote 09).

Deficit and Debt – Debt Plateaus But Doesn’t Really Fall

The revenue and expenditure estimates described above yield a budget deficit of N\$15.8 billion or 5.5% of estimated GDP implying that Namibia’s total debt stock continues to climb as a proportion of the size of the economy from a revised estimate of 66.6% of GDP in FY25/26 to 67.8% in FY26/27.

This year the African Development Bank will lend a further N\$1.479 billion (for railway upgrading and water projects) and Germany’s KfW will lend N\$409 million (for water projects) but as always these will not be channelled through the State Revenue Fund. The total financing requirement rises from N\$12.493 billion in FY25/26 (excluding the Eurobond redemption which raised it to N\$33 billion) to a peak of N\$19.217 in FY26/27.

Table 7: Key Fiscal Aggregates (as % of GDP)

	FY19/20 actual	FY20/21 actual	FY21/22 actual	FY22/23 actual	FY23/24 actual	FY24/25 actual	FY25/26 revised	FY26/27 budget
Revenue	32.6%	32.8%	29.6%	29.8%	35.0%	35.9%	34.1%	31.3%
Expenditure	37.6%	41.9%	38.1%	35.0%	37.4%	40.2%	40.4%	37.1%
Budget Balance	-5.0%	-8.7%	-7.9%	-5.1%	-2.2%	-4.1%	-6.0%	-5.5%
Debt	56.0%	62.7%	67.2%	66.2%	66.0%	67.3%	66.6%	67.8%
Interest*	11.9%	12.8%	13.9%	14.7%	14.5%	14.7%	16.0%	18.1%
Guarantees	6.2%	5.8%	5.5%	4.4%	3.6%	3.4%	2.8%	4.1%

* as % of revenue

Source: FY2026/27 Fiscal Tables

Expressed as a proportion of GDP, it can be seen that revenue, expenditure and the budget deficit are set to fall over the MTEF period leaving the stock of public debt at 65.9% of GDP in FY28/29.

Chart 1: Fiscal Aggregates (as % of GDP)

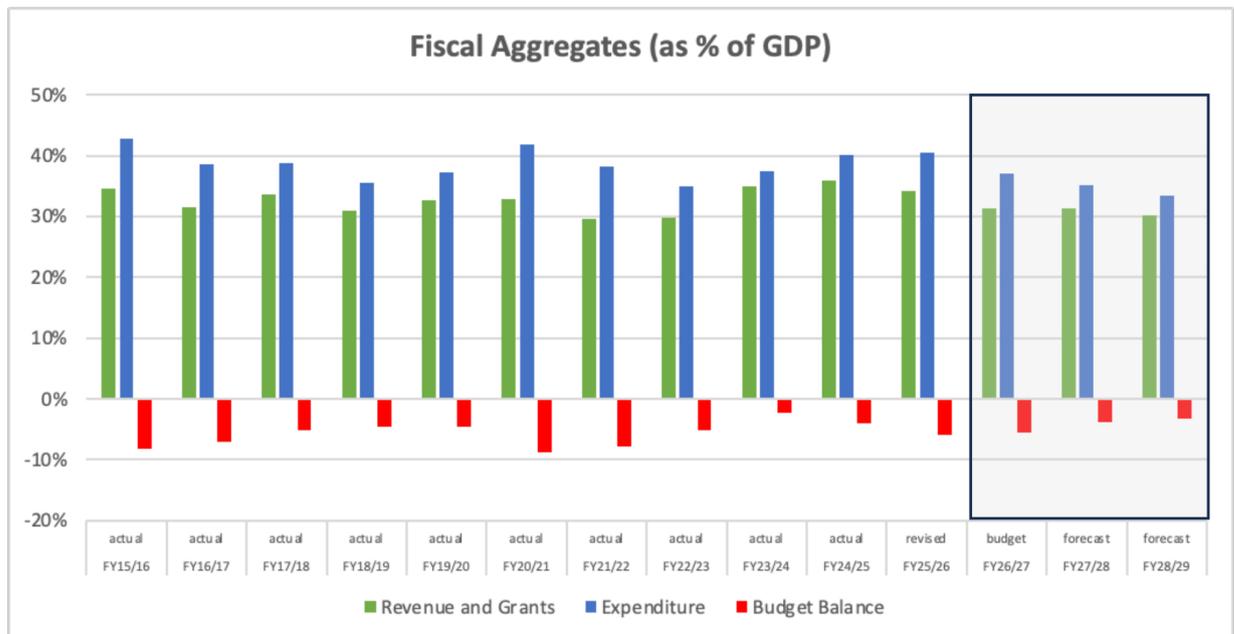
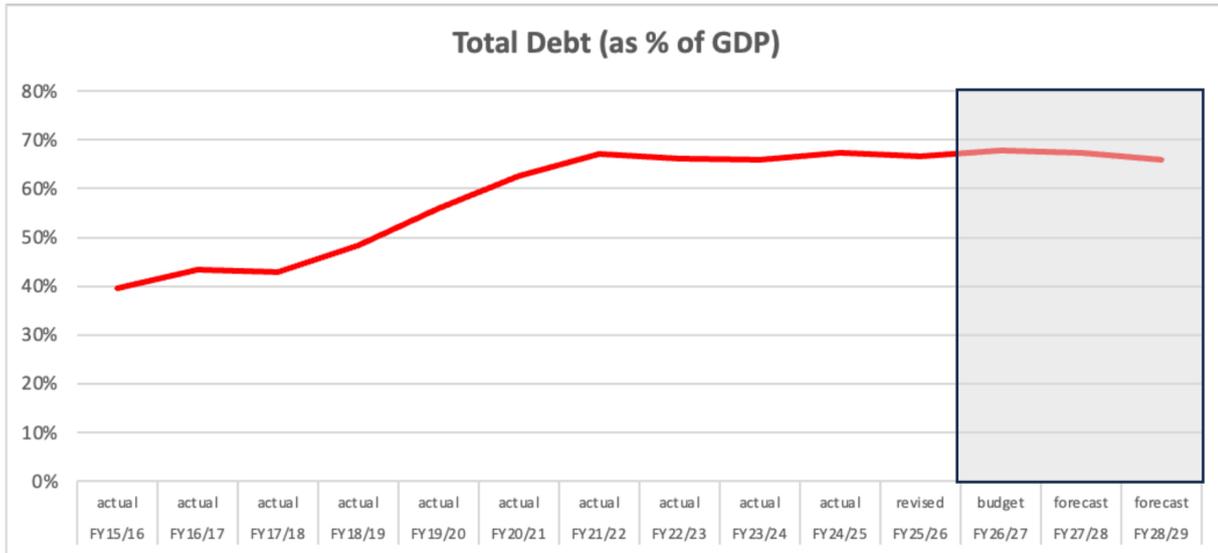


Chart 2: Ratio of Debt to GDP



Fiscal Targets

The Fiscal Strategy document states that the FY2026/27 fiscal policy reforms aim at maintaining a positive primary surplus throughout the MTEF period from 2026/27 to 2028/29 and that fiscal policy is anchored on the following specific indicators:

1. Maintaining a positive primary balance throughout the MTEF period (revenue minus non-interest total expenditure);
2. Overall budget deficit of around 3% of GDP at the end of the MTEF period FY2028/29;
3. Stabilize the ratio of debt-to-GDP and gradually reduce it towards 60% of GDP in line with the SADC target level;
4. Gradual reduction in interest payments as a percentage of GDP;
5. Maintain contingent liabilities (Government guarantees) below 10% of GDP.

These fiscal targets did not receive much attention in the budget speech although Minister Shafudah did explicitly state she wanted to aim towards the SADC debt benchmark of 60% of GDP.



Open Budget Survey

The Open Budget Survey (OBS) 2023 revealed significant improvements in Namibia's budget transparency and public participation compared to previous years. Namibia scored 54 on the Open Budget Index, up from 42 in 2021, marking notable progress in how the public can access information regarding government revenue and expenditures.

This improvement is attributed to increased efforts from both civil society and the government to engage citizens in the budgeting process. This advancement reflects a concerted effort by civic groups and government officials to consult with citizens about budget priorities, which has strengthened the accountability and inclusivity of the budgeting process.

Additionally, the budget oversight score was 46, indicating there are still challenges regarding oversight during both planning and implementation stages. Recommendations from the survey include enhancing the availability of budget documents online and ensuring that they are published in a timely manner. The OBS serves as a vital tool for CSOs in the country, helping to shape a budget that reflects the needs and rights of all citizens. The Open Budget Survey 2025 is expected to be published later in 2026.

Transparency and Access to Information

This year the budget speech, the estimates of revenue and expenditure, the fiscal strategy and the medium-term expenditure framework documents were all available as the Minister gave her speech in Parliament. This is to be welcomed. The Development Budget was not available on the National Planning Commission website by the weekend following the budget. Annexure 4 of the Fiscal Strategy document which provides details of all government's borrowings by the end of January 2026 is a welcome addition to the information provided on public debt. However, there is still no information on public sector employment and filled and established posts. No accountability report was available on the Ministry of Finance website at the time of writing.

Conclusions – Treading a Fine Line

This was a difficult budget given the Minister had to square the circle between maintaining fiscal discipline and the confidence of the bond market whilst at the same time demonstrating she was meeting the policy priorities announced by the President at a time when revenue growth is likely to be extremely limited. She accepted the constrained economic outlook and announced she would achieve a very small primary budget surplus by limiting operational and especially development expenditure whilst allowing the highest budget deficit and the level of public debt she could get away with. The budget allows her to meet the commitment of free tertiary education and gives public servants a pay rise and pensioners a small increase in the social pension. Transfers to commercial public enterprises are all but done away with and they are encouraged to raise their own finance. Overall, the budget is a good reflection of the Minister's theme: People, Productivity, Prudence and represents a good holding operation until the time a Final Investment Decision is taken by the offshore oil and gas industry, possibly later this year. This would signal better times ahead for revenue growth, for the country's creditworthiness and for the economy in general.

About the Author

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About the Institute for Public Policy Research (IPPR)

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