

IJG Economic Outlook for 2026:
Namibia at a Crossroads

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The year 2026 will be a one of modest growth and well contained inflation in Namibia which will allow maybe two further 25bp cuts in the repo rate. Government's main challenges will be to contain fiscal pressures and encourage investment, especially private sector investment. The next National Budget will be the most consequential in years determining the fiscal constraints within which government will have to operate for years. It is to be hoped that responsible fiscal management wins out over populist economics. A Final Investment Decision in the oil and gas sector is the single most important event that would lift sentiment and provide a boost to the entire economy.

Table 1: IJG 2026 Forecasts

Variable	Change
GDP	+3%
Consumer Price Inflation (NCPI)	3%
Private Sector Credit Extension (PSCE)	4.0% - 4.5%
Bank rate at year end	6.0%

Political Background To 2026 – An Administration Struggling To Get Things Done

President Netumbo Nandi-Ndaitwah was sworn in as Namibia's fifth president on 21 March 2025 and announced her new Cabinet on 22 March 2025 as shown in the table below. Her announcement saw the number of ministers cut from 21 to 14 (eight of whom were female) and the number of deputy ministers cut from 21 to 7 (five of whom were female). Eight (8) of her new Cabinet ministers were appointees to the National Assembly including key economic ministers. Her ministerial mergers created a number of new "super ministries": International Relations and Trade; Agriculture, Fisheries, Water and Land Reform; Education, Innovation, Youth, Sports, Arts and Culture; Industries, Mines and Energy. Conspicuous by their absence were Iipumbu Shiimi and Tom Alweendo, two key economic ministers in the previous Cabinet. On 28 April 2025 Presidential appointee Albert "Mac" Hengari was dismissed as Minister of Agriculture, Fisheries, Water and Land Reform after being arrested on charges of attempting to bribe a victim of rape. His replacement Inge Zaamwani, a previous CEO of Namdeb and former presidential advisor to President Geingob, was appointed on 7 May 2025. Later in the year the President also sacked Deputy Prime Minister and Minister of Industries, Mines and Energy Natangwe Iithete on 26 October 2025 replacing him first with Frans Kapofi before appointing Modestus Amutse, a former journalist, as Minister on 2 December 2025. Such dismissals are rare in Namibia.

Table 2: President Netumbo Nandi-Ndaitwah's Cabinet

Post (2025 Cabinet)	Post Holder	Status
President	Netumbo Nandi-Ndaitwah	
Vice President	Lucia Witbooi	
Prime Minister	Elijah Ngurare	
Deputy Prime Minister	Natangwe Iithete (dismissed on 26 October)	
Ministry of Defence and Veterans Affairs	Frans Kapofi Deputy Minister: Charles Mubita	Appointee
Ministry of Home Affairs, Immigration, Safety and Security	Lucia Iipumbu	
Ministry of International Relations and Trade	Selma Ashipala-Musavyi Deputy Minister: Jenelly Matundu	Appointee
Ministry of Finance and Social Grants Management	Erica Shafudah	Appointee
Ministry of Agriculture, Fisheries, Water and Land Reform	Albert Hengari (dismissed on 28 April) Inge Zaamwani (from 7 May) Deputy Minister: Ruthy Masake	Appointee Appointee

Ministry of Education, Innovation, Youth, Sports, Arts and Culture	Sanet Steenkamp Deputy Minister: Dino Balloti	Appointee
Ministry of Health and Social Services	Dr Esperance Luvindao	Appointee
Ministry of Industries, Mines and Energy	Natangwe Iithete (dismissed on 26 October) Modestus Amutse (from 2 December) Deputy Minister: Gaudentia Krohne	
Ministry of Environment and Tourism	Indileni Daniel	
Ministry of Information and Communication Technology	Emma Theofelus	
Ministry of Gender Equality and Child Welfare	Emma Kantema-Gaomas Deputy Minister: Linda Bayoli	
Ministry of Works and Transport	Veikko Nekundi	
Ministry of Urban and Rural Development	James Sankwasa Deputy Minister: Eveline Nawases-Taeyele	Appointee
Ministry of Justice and Labour Relations	Fillemon Wise Emmanuel	Appointee
Attorney-General	Festus Mbandeka	
Director General National Planning Commission	Kaire Mbuende	

Source: Office of the President

The Namibia Investment Promotion and Development Board ("NIPDB"), a Section 21 Company whose institutional status had always appeared somewhat tenuous, initially looked as if it was going to be incorporated into the new Ministry of International Relations and Trade as a department but the draft Namibia Investment Promotion Bill published for consultation at the end of November 2025 proposed a new statutory body, the Namibia Investment Promotion Agency ("NIPA"), in place of the NIPDB. Founding CEO Nangula Uuandja announced her resignation in December 2025 and was replaced by acting CEO Jessica Hauuanga from 1 January 2026.

When announcing her new government structures, the President stated that she intended to bring upstream oil and gas into her office and on 23 May 2025 appointed former Deputy Minister of Mines and Energy Kornelia Shilunga and former Chevron Deputy GM Carlo Lord Muhamed McLeod as Special Advisors and Director and Deputy Director respectively of a new Upstream Petroleum Unit ("UPU") within her office which received a N$50 million allocation in the Mid-Year Budget Review.

On 19 November 2025 the Bank of Namibia ("BoN") announced that Governor Johannes !Gawaxab would step down at the end of 2025, a year early. On 19 December 2025 President Nandi-Ndaitwah announced that Deputy Governor Ebson Uanguta would serve as Governor from 1 January 2026.

In October 2025 it was confirmed that Namibia's first ever green hydrogen commissioner James Mnyupe was to step down. It later emerged that he was to take up the position of Senior Vice President for Sub-Saharan Africa at thyssenkrupp Uhde from 1 November 2025.

Several public enterprises also experienced changes of leadership. Lelly Usiku was appointed acting CEO of NAMDIA on 10 February 2025 before the new President and Cabinet had been sworn in. Epson Kasuto was appointed Acting CEO of Namibia Wildlife Resorts from 1 April 2025. Maureen Hinda-Mbuende was appointed interim CEO of Namcor from 25 August 2025. Nampost appointed Eldorette Harmse as acting CEO from 1 September 2025 following the retirement of Festus Hangula. Albertus Aochamub was appointed interim CEO of Meatco from 2 September 2025 following a period of considerable uncertainty at the top of the organisation. Titus Ndove was appointed CEO of the Development Bank of Namibia from 1 November 2025. The Roads Authority appointed Mbahupu Hippy Tjivikua CEO from 1 January 2026 following the retirement of Dr Conrad Lutombi.

Government announced major reshuffles of Executive Directors and other senior civil servants in March 2025 (effective from 1 April 2025), in July 2025 (effective from 1 August 2025) and further announcements were made at the end of December 2025 (effective from 1 January 2026). Most notable among these for our purposes are Oscar

Capelao replacing Michael Humavindu as the Executive Director at the Ministry of Finance with the latter going to Works and Transport after having only been moved to Finance in April 2025.

Finally, by way of background, coming on top of the SWAPO Manifesto from September 2024, SWAPO published the SWAPO Manifesto Implementation Plan in February 2025 and the new government published the Sixth National Development Plan in July 2025. These three documents purport to contain the new government's plans for its five-year term of office yet contain different commitments. Of particular note is that NDP6 contains the goal: Desired Outcome 0102 - By 2030, achieve 7 percent or more annual economic growth rate.

It was particularly striking that the National Assembly passed only two pieces of legislation in 2025 out of six (6) Bills that were tabled before Parliament: the Appropriation Act and the Appropriation Amendment Act. This marks an historic low and is in stark contrast with the President's State of the Nation speech in April 2025 in which she promised to finalise 11 key pieces of legislation.

Taken together, the first year of the new administration has been marked by major institutional and personnel changes whilst the policy uncertainties mentioned in last year's outlook continue. Although a draft Namibia Investment Promotion Bill was put out for consultation in November 2025, the fate of the Minerals Act, Special Economic Zones Act, and the Namibia Equitable Economic Empowerment Bill remain unknown. The local content policy for the upstream petroleum industry was reportedly approved by Cabinet in December 2024 and consulted on in the second half of 2025.

Monetary And Fiscal Background – Strong And Credible Monetary Policy But 2026 Will Be A Testing Year For The new Minister of Finance

Inflationary pressures have continued to subside in the aftermath of Covid and Russia's full-scale invasion of Ukraine. Namibian consumer price inflation fell from 3.4% in December 2024 to 3.2% in December 2025 allowing the BoN to make two further cuts to interest rates in the course of the year (in February and October 2025) to leave the repo rate at 6.50% at the end of 2025 (25bp below South Africa), the lowest repo rate since October 2022. Namibia's rule of thumb maintaining three (3) months' worth of import cover in foreign exchange reserves coped with the full redemption of the US$750 million Eurobond at the end of October 2025.

IJG forecasts inflation at 3.0% for 2026, somewhat lower than the 3.8% contained in the BoN's most recent Monetary Policy Statement. Inflation appears well contained while the exchange rate is strong and the oil price favourable. President Nandi-Ndaitwah has appointed a credible new central bank governor. The South African Reserve Bank ("SARB") is now formally pursuing a 3% inflation target (with wriggle room of 1% either side) so the further easing of interest rates may be slower than would otherwise be the case. Lower interest rates should support higher private sector investment, help mortgage holders, and encourage consumer spending.

As described in our report, Minister Shafudah's first Mid-Year Budget Review (MYBR) tabled on 21 October 2025 was an attempt to refashion a budget she had inherited into one that more closely matched the priorities of the new administration. Keeping overall expenditure unchanged, she moved resources from the development to the operational budget, primarily to cover new posts in health, free higher education, and the new Upstream Petroleum Unit. However, with growth slowing, she projected revenues to be lower than expected back in March 2025 which meant the budget deficit increased and the ratio of total public debt to GDP rose. Whereas former Minister Shiimi had forecast debt falling to 58% of GDP by the end of FY25/26 in his final MYBR, Minister Shafudah now expects the ratio to reach 67.5% by the end of the year and going on to peak at 69.0% in FY2026/27 and 69.2% in FY27/28. The promise to maintain a primary budget surplus made in March 2025 was already broken in October. Having repaid both Eurobonds, the Minister seems to be eschewing taking on new foreign currency loans that are not concessional or semi-concessional and focussing rather on the domestic capital market. Ironically, this comes at a time when South African and Namibian monetary policy has never looked so credible and the outlook for the exchange rate has never looked so strong.

The Income Tax Amendment Bill 2025, which contains several important tax changes, was not passed by Parliament by the end of 2025 as promised by the Minister. The Minister's next budget will be her first big test as she alone will

be in charge of shaping the fiscal environment and will be under immense pressure from the President and Cabinet colleagues to deliver the costly plans laid out in the documents mentioned above. The Main Budget is anticipated to take place towards the end of February 2026.

Broad Macroeconomic Outlook – Where Is Growth Going To Come From?

The national accounting expenditure identity:

$Y = C + I + G + (X - M)$

Dictates that growth in income (GDP) must come about from growth in private consumption (C), investment (I), government consumption (G) or net exports (X-M) or some combination of these four components of expenditure. Given the still fragile state of household balance sheets and government finances, growth in 2026 will have to come about primarily from growth in private investment or net exports or both.

*Detailed GDP forecasts produced by IJG are included in the annexure at the end of the report.

Agriculture, Forestry and Fishing – Recovery From Drought But TACs Are Down

The Agriculture, Forestry and Fishing sector can be broken down into livestock farming, crop farming and forestry, and fishing and fish processing on board. Value added generated by livestock farming and fishing and fish processing on board were similar in 2024 while crop farming gave rise to over three quarters the value added of the other two subsectors. Drought as always, remains the number one risk for the livestock and crop sectors. The Livestock and Livestock Products Board ("LLPB") reported a significant reduction in the number of cattle marketed up to November 2025 due to restocking after the severe drought of 2024. The number of sheep and goats slaughtered declined but live exports of both animals, overwhelmingly to South Africa, increased. The number of pigs marketed rose slightly as part of a longer-term trend since 2012 under the Pork Market Share Promotion Scheme. The coming year will see the number of cattle marketed increase whilst sheep, goats and pigs are expected to remain stable.

The Namibian Agronomic Board ("NAB") is forecasting modest growth in cereal production after a significant rise in output in 2025 following drought-hit 2024. The forecast is made on the back of normal to above normal rainfall across most parts of the country during the first quarter of the year which signals a favourable dryland planting season. Horticultural output driven by citrus fruit and potatoes is also expected to increase further after a strong performance in 2025 partly due to the NAB's Potato Value Chain Development Scheme and Agribank's Potato Value Chain Finance Initiative, the impacts of which are expected to materialise in the year ahead. Horticulture export growth has been strong since 2016 with table grapes making up almost two-thirds of exports by value. To this comes the NAB's Crop Value Chain Development Strategy designed to address key challenges in the crop value chain. Efforts to reform Government's Green Scheme, which is laid out in government's economic plans mentioned above, is likely to take time but holds the potential for greater output in future.

Over the last five (5) years Namibia's fishing sector has experienced declines in Total Allowable Catches ("TACs") for the two most economically valuable species hake and horse mackerel whilst monk, crab and tuna have seen increases. In July 2025 government approved a TAC for pilchards of 10,000 tonnes for the remainder of the fishing season until September 2025 after several vessels landed considerable quantities of pilchards as by-catches. The TAC was for "government objectives" and controversial because it was the first time a TAC had been approved for pilchards since a moratorium was imposed in 2015. At the beginning of 2026 government announced the TAC for horse mackerel would be cut from 208,000 in 2025 to 197,000 in 2026. The overall trend is clearly towards lower TACs which will limit growth in the sector despite government's announcement of ambitious new export targets for the sector as part of NDP6. A total of 162 fishing rights granted in 2012 are due to expire at the end of 2026.

Table 3: Total Allowable Catches (TACs) 2021-2025

	2021/22	2022/23	2023/24	2024/25	2025/26
Pilchard (1 Sep)	0	0	0	0	10,000
Hake (1 Nov-30 Sep)	154,000	154,000	154,000	140,000	133,000
Rock Lobster (1 Nov – 30 Apr)	180	180	180	180	180
Monk (1 May – 30 Apr)	7,300	8,600	9,000	9,600	9,600
	2021	**2022**	**2023**	**2024**	**2025**
Horse Mackerel	330,000	330,000	290,000	270,000	208,000
Crab	3,900	4,200	4,200	4,300	4,000
Tuna (Albacore)	3,600	3,600	4,230	4,230	n/a
Tuna (Swordfish)	1,168	1,168	1,168	1,168	n/a
Tuna (Mako Shark)	0	0	256	256	n/a
Tuna (Blue Shark)	0	0	0	3,234	n/a

Source: Ministry of Agriculture, Fisheries, Water and Land Reform and BoN

Mining and Quarrying – Diamonds Remain Shrouded In Uncertainty But Gold And Uranium Continue To Shine

The Mining and Quarrying sector comprises diamonds, uranium, metal ores and other mining and quarrying. In 2025, value added from metal ores (mainly gold) far exceeded value added from diamonds and uranium as diamond output stagnated, uranium output increased and other mining and quarrying remained stable. The gold price breached US$4,000 in October 2025 and then US$4,600 per ounce at the beginning of 2026.

The coming year will remain a hugely challenging time for the global diamond mining industry as it battles weak demand in key markets, competition from Lab-Grown Diamonds, sanctions on Russian stones and high inventories. Anglo American's sale of De Beers Group has been complicated by seemingly uncoordinated announcements from the governments of Angola, Botswana and Namibia that they wish to buy stakes in the company. Production guidance for 2025 was 20-23 million carats compared to actual production of 24.7 million carats in 2024. All the while Anglo American's US$60 billion "merger of equals" with Canada's Teck Resources announced in September 2025 to create London-listed Anglo Teck received shareholder and Canadian and Australian approval in December. Although De Beers has reined back production significantly in Botswana, Canada and South Africa, production by Namdeb Holdings in the first three quarters of 2025 was only marginally down on 2024 despite Debmarine Namibia taking two vessels out of service and Namdeb placing the last of its Orange River mines – Sendlingsdrif – under care and maintenance in June. Namdeb's 2016 Sales and Marketing Agreement is up for renegotiation but this is likely to either be rolled over until the new owner of De Beers has taken ownership or will become subject to negotiation as part of the sale.

Uranium prices peaked above US$100/lb in early 2024 but fell back to just above US$60/lb in Q1 2025 before staging a recovery to end above US$80/lb by the beginning of the year. In recent years Namibia has been the third largest producer of uranium after Kazakhstan and Canada on the back of production from Rossing and Husab mines and also Langer Heinrich which restarted production in Q2 2024. Last year expectations were that Bannerman's Etango Project (ML250) and Deep Yellow's Tumas Project (ML237) would reach a FID but this did not materialise. Last October Bannerman stated it would be ready to reach an FID in 6-12 months provided market conditions permitted. Tumas delayed an FID expected in March 2025 due to uncertainty in the uranium price. There is general agreement that price rises are not yet sufficient to warrant a restart of Trekkopje mine.

Gold mining from Navachab and Otjikoto dominated the value added generated by metal ores on the back of an exceedingly strong gold price in 2025 reaching ever higher peaks to start 2026 above US$4,600 an ounce. This price level is not expected to decline to any significant extent in 2026. We expect further strong results from the two operations in 2026 and production to commence at a third gold mine, China's Shanjin International Gold Co (formerly Yintai Gold) Twin Hills Project. Other significant metal ore miners include Tschudi copper mine (Consolidated Copper Corporation), Kombat copper mine (Trigon Metals completed the sale of Kombat mine to Horizon Corporation in

December), Rosh Pinah zinc and lead mine (Appian Capital) and Uis tin mine (Andrada Mining) while several other mines are under care and maintenance.

Other Mining and Quarrying mainly includes salt as well as marble and dimension stone makes up the smallest sub-sector but is not insignificant.

Oil and Gas – Will There Be An FID?

Oil and gas exploration activity has intensified since Shell and TotalEnergies first announced their finds at the beginning of 2022. The table below shows the exploration wells that have been drilled since. Shell's Cullinan 1X and Chevron's Kapana 1X failed to make commercial oil discoveries. At the beginning of 2025 Shell announced it was writing down US$400 million related to its offshore Namibian oil discovery which it said "cannot currently be confirmed for commercial development" but recently confirmed that it would be restarting its drilling programme in PEL 39 from April 2026 with one exploration well with an option for a second. In December 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. Oil and gas exploration is hugely expensive and represents investment on a scale that dwarfs investment in the rest of the economy.

At the 2024 Oil and Gas Conference, Petroleum Commissioner Maggi Shino stated she expected the first Final Investment Decisions ("FID") on whether or not to go ahead to be made in 2025 with production commencing by 2029. The expectation was that this would take place after the new President and Cabinet had taken office. However, no FID was taken. Instead, President Nandi-Ndaitwah created a new UPU in the Office of the President and ordered a review of the policy framework. It was not clear where that left the Petroleum Commissioner.

Consultations took place on local content policy from September 2025 but no final policy was made public. BW Energy pushed back its FID to 2025, which made sense because its development is affected by other oil and gas developments in the area but no FID was taken. These exciting developments have taken place at a time when Namibia's local champion Namcor has found itself in disarray. Marueen Hinda-Mbuende was appointed MD of Namcor in August 2025. The coming year will demonstrate the extent to which this key public enterprise is able to play the important role assigned to it in the oil and gas sector. It is clear that at a single FID would boost confidence in the sector and the wider economy and lead to higher investment spending, a proportion of which would support the local economy. The SWAPO manifesto promises to "conduct a feasibility study for setting up a refinery for value addition to oil and gas in Namibia" in accordance with the guiding theme of natural resources beneficiation during the Party's next term in office. NDP6 assumes First Oil ("FO") by 2030. However, it is more than likely that 2026 will be spent establishing the UPU, reviewing the upstream policy and regulatory framework, haggling over taxation, local content and value addition and sorting out Namcor rather than taking an FID and moving forward with development. Developing an ultra-deep offshore field can generally be expected to involve at least 4-5 years between FID and FO.

Table 4: Exploration Wells Drilled since 2021 (red denotes changes)

Shell (45%) QatarEnergy (45%) Namcor (10%) **PEL39**	TotalEnergies (50.5%) TotalEnergies (32.5%) 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

Source: Shell, TotalEnergies, Rhino, Chevron and Galp

Manufacturing – Another Test Year For Green Hydrogen In Namibia

The manufacturing sector consists of a broad range of manufacturers the largest of which are meat, grain and fish processors, beverage producers, chemical producers, copper smelting, and diamond cutting and polishing operations. Zinc refining stopped in 2020 when the Skorpion zinc mine was placed under care and maintenance. The outlook for meat processors is more positive than last year but the outlook for diamond cutting and polishing operations is likely to remain subdued given what is happening to the upstream diamond industries. It is yet to be seen what replaces EPZ status for diamond manufacturers and what impact differential US "reciprocal tariffs" made on the industry (India faces a tariff of 50% including the "penalty tariff" of 25% whilst Namibia faces 15%).

Savanna Beef Namibia commenced controlled slaughtering in October 2025 and is undergoing SADC and EU audits in the coming months prior to full production half way through the year. It will represent a challenge to loss-making Meatco which is likely to stagger on with government subsidies. The takeover of Namibia Breweries by Heineken in 2023 has gone smoothly and the company posted strong results in the six months to June 2025. This is likely to be

repeated in 2026. The Tsumeb smelter's new owner Sinomine Resource Group temporarily halted production in June then placed the operation under care and maintenance. The company claimed there was global overcapacity in copper smelting and that it planned to upgrade the smelter to recover multiple critical minerals possibly including germanium and zinc.

Three (3) green hydrogen projects are now in production. Enersense's Daures green hydrogen village was inaugurated by President Mbumba in October 2024 but which has yet to produce any green hydrogen or ammonia. HyIron's Oshivela green iron plant near Arandis was officially inaugurated by President Nandi-Ndaitwah in April 2025. Cleanergy Solutions Namibia' green hydrogen demonstration plant outside Walvis Bay was officially inaugurated in September. Not long afterwards, Ohlthaver & List announced it was selling its 51% share in the project to H_2 Infra NV, a subsidiary of CMB.TECH. All three (3) projects are demonstration plants rather than full-scale commercial projects and are not of sufficient size to impact GDP to any significant extent. Zhero announced plans in December to begin construction of a green ammonia plant outside Walvis Bay with an FID planned for 2027 and commercial operations expected by 2030.

Electricity and Water – Significant Progress With Capital Projects

Value added from electricity depends significantly on domestic generation from the Ruacana hydro power station which is dependent on rainfall patterns and river flow. NamPower has been working on five (5) 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 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. NamPower has not yet published its Annual Report for the year to 30 June 2025. Value added in the electricity sector can be expected to increase in 2026 due to the new generating capacity inaugurated in 2025.

A similar situation applies to water where plans for a second desalination plant were announced 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, was envisaged to be operational by the end of 2026 according to the initial announcement. Progress has been made and a joint venture agreement was signed in December 2025 giving Swakop Uranium a 70% and Namwater a 30% stake in the Erongo Sunam Desalination Project Joint Venture Company. Sustained growth in the electricity and water sector depends on these new capital projects.

Construction – Further Modest Growth After Years Of Hardship

The construction sector has suffered a prolonged slump since 2016 when the completion of a series of major public and private sector capital projects took place including the Targeted Intervention Programme for Employment and Economic Growth ("TIPEEG"). Since then, ever more limited government and public enterprise spending on new capital projects combined with weak private sector fixed investment outside of the oil and gas industry has depressed the sector. In 2024 value added from construction in real terms was just a quarter of what it was in 2015. The beneficial impact of capital spending by state-owned enterprises and private businesses described elsewhere in this outlook will be countered by what is anticipated to be weak government capital spending in the forthcoming budget. However, in sum the construction sector is expected to experience further modest growth in 2026.

Wholesale and Retail Trade – Steady Growth On The Back Of An Improved Macroeconomic Environment

A lower interest rate environment resulting from lower inflation combined with lower levels of consumer debt, slightly stronger growth in household credit and modest growth in the economy should continue to support continued higher consumer spending with positive consequences for the wholesale and retail trade sector.

Hotels and Restaurants – Further Recovery After Covid

The hotel and restaurant sector, which is hugely dependent on the state of the country's foreign tourism industry, was extremely hard hit by Covid and has taken until 2024 to make an almost complete recovery. Overall tourist arrivals reached 1.26 million in 2024 still 20% down on pre-Covid arrivals of 1.6 million. With a stable exchange rate, the sector can be expected to complete its post-Covid recovery although changes to visa requirements for tourists from 31 key markets from 1 April 2025 and a stronger exchange rate could act as a disincentive to foreign, especially high income, tourists.

Transport and Storage – Further Strong Growth

The transport sector enjoyed a strong 2025. Last year TransNamib's critical investment in new rolling GE stock was cancelled in May due to "geopolitical risks". This will delay much needed improvements in Namibia's railway system.

Namport reported it had handled a record 8.42 million tonnes of cargo in the year to 31 March 2025 after the previous record year. Terminal Investment Namibia raised N$2.1 billion from Standard Bank Namibia and RMB Namibia to support investment in the container port.

The Dr Hage Geingob Highway between Hosea Kutako International Airport and Windhoek was completed in November 2025 with Chinese funding for the third project phase after government and the African Development Bank had funded the other two phases.

Overall, these changes in the transport and storage sector are positive and are expected to lead to further robust growth in the coming year.

Information and Communication – Modest Growth And Greater Competition In A Small Saturated Market

The number of active MTC mobile subscribers has plateaued at 2.3 million with a steady increase in pre-paid subscribers but a steady decline in post-paid. The future of Telecom Namibia remains unclear. The company's last published annual report was for 2022/23, a sure sign of problems. NSX-listed Paratus launched its LTE and 5G mobile network in September. Another private company Loc8 is preparing to launch a 5G mobile network in Q1 2026 after being granted a licence in 2023. Organic growth in line with the overall growth of the economy and greater competition between public and private operators will be the order of the day in 2026.

Government – A Highly Constrained Fiscal Position

The government sector is broken down into public administration and defence, education, and health which together made up just over 20% of total GDP in 2024, a proportion which has not changed greatly over the past decade. Growth in government value added has been extremely limited since the fiscal brakes started to be applied in 2016.

The next national budget for 2026/27 will give a critical indication of the new government's approach to fiscal policy for the remainder of its term. On the one hand, debt metrics suggest government borrowing and spending will be highly constrained in the coming year. On the other hand, the SWAPO manifesto promised to spend N$85.7 billion over five (5) years to priority projects to create 256,538 jobs. The manifesto's very first commitment is to "pursue long-term fiscal sustainability through prudent fiscal management and ensuring sustainable budget deficits and public debt." There are many other spending commitments in SMIP and NDP6. There appears to be little appetite for serious public sector reform although Minister Shafudah has committed to developing a Medium-Term Revenue Strategy and conducting Public Expenditure Reviews. Development spending is likely to be squeezed in order to protect operational spending on the public service.

Policy Developments – Policy Uncertainty Continues

Good economic policy remains the foundation of economic success for any country but the finalisation of key economic policies has been kicked down the road many times during the past decade. Four (4) are worthy of note:

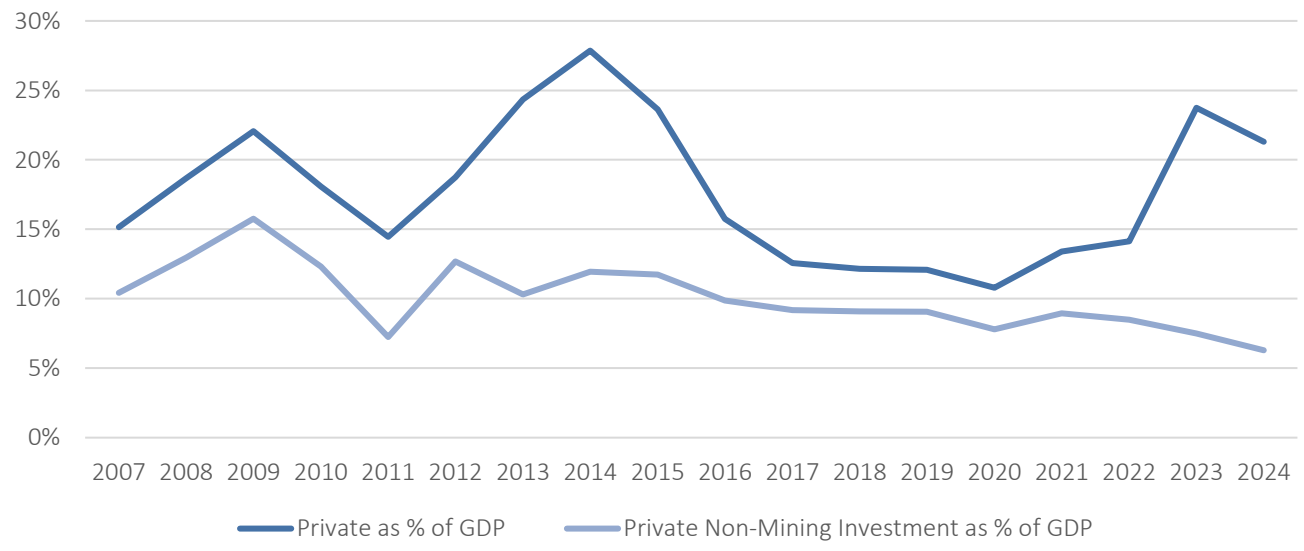
The Namibia Investment Promotion Act of 2016 was supposed to replace the Foreign Investment Act of 1990 in setting out the broad policy framework for foreign investors. Thankfully, Government recognised the flaws in the legislation that the National Assembly had passed without controversy and has spent the intervening years drafting a new Namibia Investment Promotion and Facilitation Bill. Despite repeated promises that "this Act could be operational before the end of this financial year" (for example following the investment conference on 1 August 2019), no new legislation is in place although a rather confused consultation on a draft took place last year. This is at a time when massive new foreign investments, especially in mining and oil and gas, are in the pipeline. It is hard to believe these will go ahead as long as the rules of the investment game in Namibia remain unclear. Government issued a draft Namibia Investment Promotion Bill for consultation in November. The current draft is potentially hugely damaging to the cause of investment, especially foreign investment.

A new Minerals Act has been the subject of a process of consultation but has not yet reached the National Assembly. The Chamber of Mines stated in 2024 that Government's aim "is to conclude consultations on the draft Minerals Bill in 2024, moving towards its implementation and the finalisation of associated regulations. This comes after more than 20 years of review of the Bill." The current draft is sitting with the Ministry of Industries, Mines and Energy. It is likely to be delayed as the new minister was only appointed in December.

A draft Namibia Equitable Economic Empowerment Bill ("NEEEB") was published by the Prime Minister for consultation in early 2016 which represented the culmination of work that had started in 2004. Again, following the investment conference on 1 August 2019 Government announced that "as stated by HE the President finalisation of NEEEB is a key priority and the Bill will be tabled in Parliament within 6 months." Discussions appear to have taken place periodically but again nothing has reached the National Assembly. Although some might question the need for such legislation 35 years after independence, the initiative may have merit in that it is possible that the threat of legislation nudges businesses in what Government deems to be the right direction.

The Special Economic Zones Bill has also been in the pipeline for some years and should have been in place when the Export Processing Zone regime was disbanded. Consultations took place in 2024 but there is no sign of the legislation coming to the National Assembly.

Chart 1: Total private fixed investment and non-mining private fixed investment as % of GDP



Source: NSA



These four (4) pieces of legislation continue to represent fundamental building blocks of Namibia's future investment environment. Given the uncertainty that their absence gives rise to, it is little surprise that private sector investment outside the oil and gas sector has languished so badly since 2016. If the new President and Cabinet want to boost growth, they will have to finalise these initiatives one way or the other. At the beginning of 2026 the omens do not look good. The alternative is that investors take the risk and muddle through battling whatever is thrown at them after they have invested on a case-by-case basis.

Conclusions – Modest Growth Amid Policy Uncertainty And Fiscal Constraints At Home and Volatility Abroad

The coming year looks set to be one of modest growth driven largely by livestock farming, crop production, gold and uranium mining, continued exploration spending by oil and gas companies, the steady further recovery of tourism, and another strong performance in transport and logistics. However, fiscal constraints will limit public spending on capital projects and act as a brake on growth.

An FID in the oil and gas sector will be a critical sign of the future direction of the economy. The international economic environment is likely to be more unpredictable than ever. The Trump administration has injected unprecedented uncertainty into the global economy through its tariff, aid, and sanctions policies. Whilst the US economy continues to outperform in the face of considerable policy changes under the threat of an AI bubble, the replacement for Jerome Powell as Chairman of the Federal Reserve in May 2026 will be critical to the future of US monetary policy and the US dollar as the world's reserve currency with all the implications this entails.

In Namibia the year begins with stable inflation, a strong exchange rate, credible institutions, a stable oil price, a good outlook for the agriculture and transport sectors, and strong gold and uranium prices which should outweigh the impediments to growth in the diamond sector. Namibia's principal challenge is to create an investment environment which will encourage the investment that the country desperately requires. Unfortunately, the new government appears to display little appreciation of trade-offs and is struggling to find a clear direction and take action. Economic management is diffused and it is by no means clear how important policy trade-offs will be addressed.

Annexure

Table: GDP Forecast 2026

	Growth 2024 (%) - Actual	2024 GDP	Growth 2025 (%) – IJG Forecast	2025 GDP	Growth 2026 (%) – IJG Forecast	2026 GDP
Agriculture, Forestry and Fishing	-2.7%	10,640	0%	10,621	2%	10,885
Livestock Farming	7.6%	3,729	-10%	3,356	10%	3,692
Crop Farming and Forestry	-6.6%	2,329	25%	2,911	5%	3,057
Fishing and Fish Processing on Board	-7.9%	4,583	-5%	4,354	-5%	4,136
Mining and Quarrying	-1.2%	18,947	-2%	18,522	0%	18,526
Diamond Mining	-3.7%	10,252	-10%	9,227	-5%	8,765
Uranium	1.8%	3,315	10%	3,647	5%	3,829
Metal Ores	5.2%	1,697	5%	1,782	5%	1,871
Other Mining and Quarrying	0.4%	3,683	5%	3,867	5%	4,061
Primary Industries	**-1.8%**	**29,588**	**-2%**	**29,144**	**1%**	**29,410**
Manufacturing	2.8%	16,292	3%	16,781	0%	16,781
Electricity and Water	2.3%	4,437	0%	4,437	10%	4,881
Construction	6.4%	2,050	5%	2,153	5%	2,260
Secondary Industries	**3.0%**	**22,780**	**3%**	**23,370**	**2%**	**23,922**
Wholesale and Retail Trade	9.1%	15,574	10%	17,131	8%	18,416
Hotels and Restaurants	3.7%	2,520	5%	2,646	5%	2,778
Transport and Storage	11.4%	4,515	10%	4,967	8%	5,339
Information and Communication	1.6%	3,397	3%	3,499	3%	3,604
Financial and Insurance Services	5.9%	11,037	3%	11,368	3%	11,709
Real Estate	1.0%	9,043	2%	9,224	2%	9,408
Professional, Scientific and Technical Services	8.3%	1,139	5%	1,196	5%	1,256
Administrative and Support Services	4.0%	1,521	5%	1,597	5%	1,677
Arts, Entertainment and Other Services	1.8%	2,104	3%	2,167	3%	2,232
Public Administration and Defence	4.2%	17,629	3%	18,158	2%	18,430
Education	1.6%	14,852	3%	15,298	2%	15,527
Health	8.3%	6,714	3%	6,915	2%	7,019
Private Households with Employed Persons	2.5%	1,086	3%	1,119	3%	1,152
Tertiary Industries	**4.9%**	**91,131**	**5%**	**95,284**	**3%**	**98,548**
Taxes Less Subsidies on Products	9.5%	13,978	5%	14,677	5%	15,411
GDP at Market Prices	**3.7%**	**157,476**	**3.0%**	**162,475**	**3.0%**	**167,291**

Source: IJG

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