

Quarter 3 2024

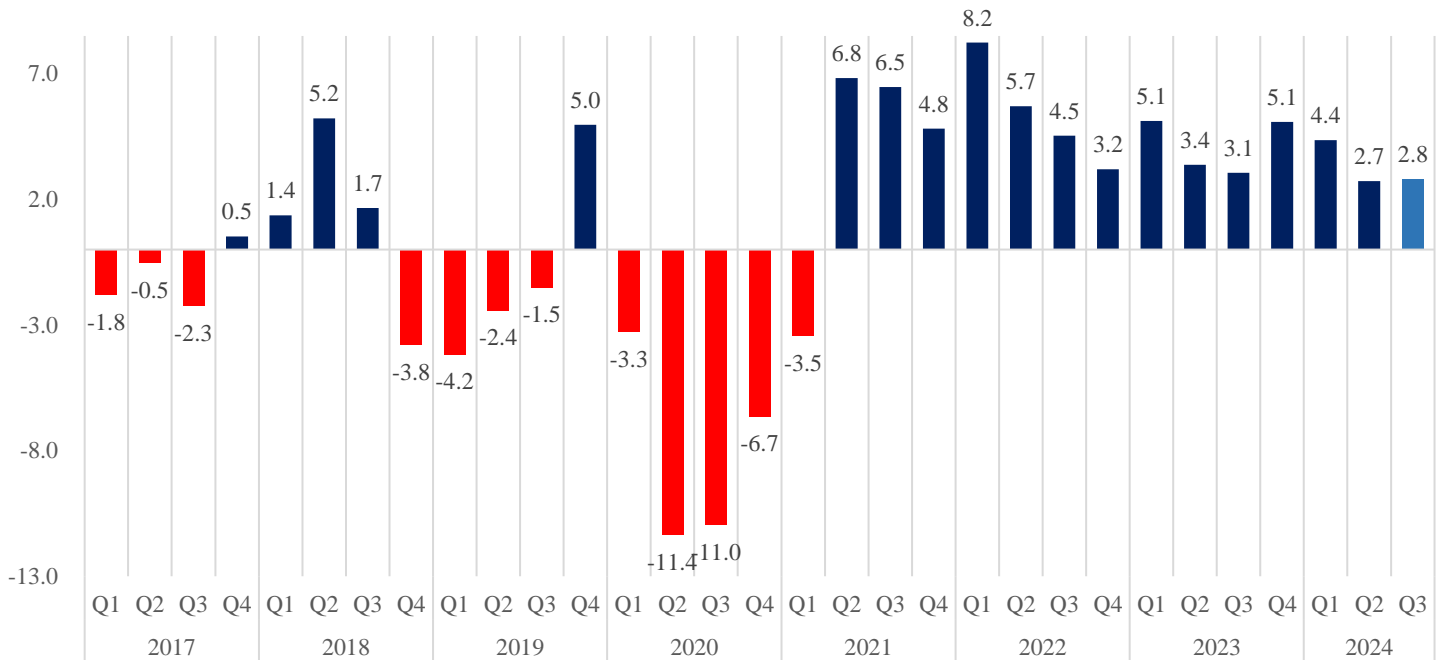
Executive Summary

Namibia's economy continued to show growth in the third quarter of 2024, reaching N\$61.6 billion, an increase of N\$5.3 billion from the N\$56.3 billion recorded during the same period in 2023. While real economic activity expanded by 2.8 percent, this was slightly slower than the 3.1 percent growth seen in the same quarter last year.

The services sector played a significant role in driving this growth, with real value added increasing by 4.9 percent—an impressive improvement from the 1.9 percent growth recorded in 2023. Within this sector, health stood out with a remarkable 16.0 percent growth, up from 5.5 percent last year. Financial services also performed strongly, growing by 7.1 percent compared to 4.3 percent previously, while the transport and storage sector grew by 7.9 percent, slightly below the 10.1 percent achieved last year.

On the other hand, secondary industries saw modest growth of 1.5 percent, while the primary industries experienced a 4.4 percent decline, a sharp contrast to the robust 13.8 percent growth recorded in the third quarter of 2023. The decline in primary industries was primarily driven by weaker performance in the agriculture and forestry sector.

Namibian GDP Growth Rates: 2017 Q1 – 2024 Q3



Source: NSA & HEI Research

Outlook

Looking ahead, the economic outlook is shaped by a blend of growth opportunities and persistent challenges. The economy is projected to improve in 2025, driven primarily by the mining sector's anticipated rebound due to increased investments in oil exploration. Other sectors, particularly tourism and services, are also expected to gain traction as consumer confidence improves. The mining sector is projected to recover, while the services sector, including financial services and healthcare, is set to expand further, benefiting from rising consumer

spending.

However, primary industries face challenges due to previous drought conditions and weak global demand. Namibia's economy remains vulnerable to climate change impacts, particularly in agriculture, necessitating sustainable practices to enhance long-term stability. Additionally, the economy's health is closely tied to global commodity prices; a slowdown in major economies could adversely affect export revenues.

Furthermore, Namibia's strategic position offers opportunities for attracting foreign direct investment (FDI), particularly in renewable energy and infrastructure development, highlighting the importance of improving the business environment to foster investor confidence.