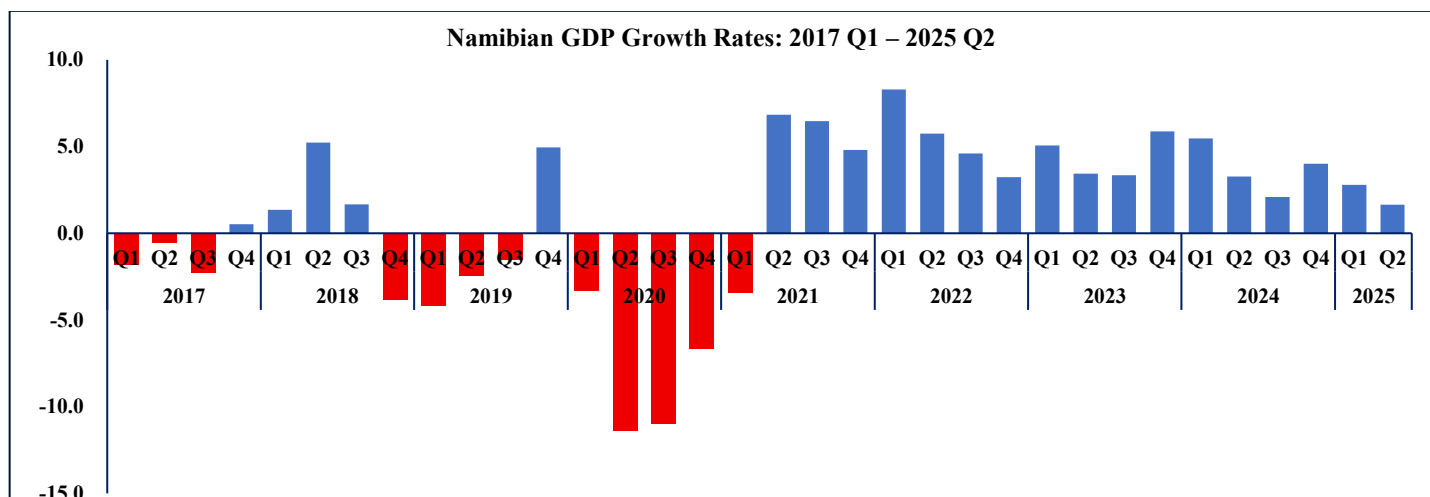


# GDP Q2 2025

## Overview

Namibia's economic growth slowed in the second quarter of 2025, expanding by 1.6% year-on-year, compared to 2.6% in Q1 2025 and 3.3% in Q2 2024. The moderation reflects broad-based pressures across the real economy, particularly in secondary industries, though growth was partly supported by resilience in key service-driven sectors.

The tertiary industries remained the main driver of output, expanding by 3.9%, albeit below the 5.1% recorded in the previous quarter. Primary industries showed signs of stabilisation with marginal growth of 0.1%, recovering from a 3.1% contraction in Q1. By contrast, secondary industries contracted sharply by 5.8%, declining after the 2.0% growth observed in Q2 2024, highlighting the fragility of the manufacturing base.



## Sectoral Performance

Within the service sector, Education recorded the highest growth rate at 5.6%, followed by Wholesale and retail trade (5.2%), Financial services activities (5.0%), and Electricity and water (4.9%). The Public administration and defence sector expanded by 3.7%, slightly below the 4.3% recorded in the same quarter of 2024. This growth was mainly supported by higher compensation of employees, reflecting an increase in personnel. Mining and quarrying grew by 2.7%, primarily driven by the uranium subsector, which registered a robust 44.1% increase owing to higher ore production, supported by favourable international prices and rising global demand.

The industrial sector, however, recorded sharp declines. Manufacturing output contracted by 9.7%, weighed down by significant reductions in diamond cutting and polishing (-59.1%), meat processing (-50.9%), basic non-ferrous metals (-25.2%), and beverages (-12.0%). The agriculture and forestry sector also contracted by 3.5%, compared to a 2.2% growth in Q2 2024. This was largely attributed to the livestock subsector, which fell by 35.3%, as farmers undertook widespread restocking while also contending with a lumpy skin disease outbreak. The fishing and fish processing on board sector declined by 4.4%, an improvement from the 7.9% contraction recorded in Q2 2024, mainly due to lower demersal and midwater fisheries landings. Collectively, these declining sectors particularly manufacturing, which alone reduced GDP by 1.0 percentage point offsetting the growths recorded in high-performing industries.

## International Trade and External Balance

Despite domestic headwinds, Namibia's external sector provided some relief. Export of goods and services amounted to N\$30.1 billion during the quarter under review, reflecting an increase of N\$5.4 billion compared to N\$24.6 billion recorded in the second quarter of 2024. The improvement was largely driven by stronger exports of intermediate goods. Imports, on the other hand, amounted to N\$40.2 billion during the quarter under review, up from N\$39.9 billion recorded in the second quarter of 2024. As a result, the external balance deficit narrowed to N\$10.1 billion, compared to N\$15.2 billion in Q2 2024, signalling a strengthening trade position even as domestic growth remains subdued.

## Outlook

The domestic economy has continued to record growth since Q2 2021. The tertiary sector is expected to remain the primary growth driver in the near term, supported by steady activity in wholesale and retail trade, financial services, and public administration. However, the industrial sector lags behind, with persistent challenges in livestock production, diamond cutting and polishing, and meat processing likely to weigh on overall performance for the rest of 2025.

Overall, economic growth is expected to remain moderate, with recovery prospects hinging on a rebound in agricultural output, higher fisheries landings, and the stabilisation of key manufacturing subsectors. While services will continue to anchor the economy, a sustained turnaround in primary and secondary industries is essential to support stronger and more balanced growth through the rest of the year.