

GDP Q3 2025

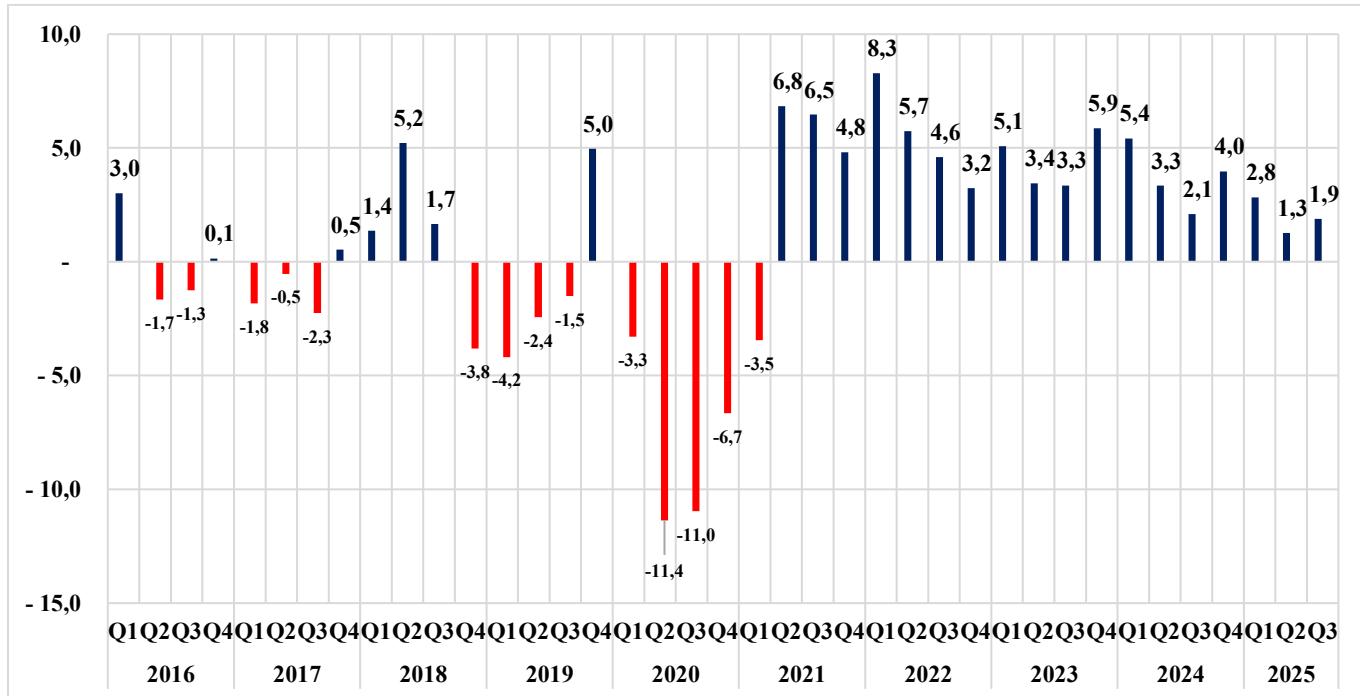
Quarter 3 2025

Overview

Namibia's economy maintained positive momentum in the third quarter of 2025, supported by resilient activity in the tertiary and secondary sectors, though primary industries continued to face headwinds. Nominal GDP rose to N\$66.4 billion, reflecting a year-on-year increase of 6.0%, while real GDP expanded modestly to N\$38.5 billion in real terms, corresponding to growth of 1.9%.

Real economic growth was largely underpinned by the tertiary sector, which recorded an expansion of 4.1%. Financial services (8.4%) and wholesale and retail trade (5.5%) emerged as key drivers of growth, reflecting continued household demand and robust service sector activity. The secondary sector also contributed positively, expanding by 1.2%, with electricity and water supply experiencing significant growth of 12.5%. In contrast, the primary sector contracted by 6.9%, largely driven by a sharp decline in agriculture (-22.7%) and subdued mining output (-4.2%), which constrained overall growth prospects for the quarter.

Figure 1: Real GDP Growth Rates (2017Q1 – 2025Q3)



Source: NSA

From an expenditure perspective, Namibia's growth in Q3 2025 was consumption-led. Final consumption expenditure rose by 4.9%, driven by household demand, with private final consumption up 5.2%, alongside a 4.1% increase in government consumption, which provided additional support to aggregate demand.

Investment activity remained subdued during the quarter under review, as gross fixed capital formation contracted by 3.7%, reflecting cautious spending by both the private and public sectors. Changes in inventories also declined, leaving overall gross domestic expenditure flat at 0.0% in the quarter.

The external sector contributed modestly to growth, with exports of goods and services increasing by 4.7% while imports edged up by only 0.3%, resulting in a slight improvement in net exports. Overall, the Q3 2025 expenditure profile underscores a consumption-driven growth pattern, with limited contribution from investment and only moderate support from trade.

Outlook

The third quarter of 2025 marked a slight improvement from the previous quarter, but also signalled a moderation in economic momentum compared to Q3 2024, with growth supported by moderate expansion in the tertiary and secondary sectors, while investment activity and the primary sector remained subdued. Following real GDP growth of 3.7% in 2024, the Bank of Namibia projects annual real GDP growth of 3.0% in 2025, implying improved economic activity in the fourth quarter to achieve the projection. The tertiary sector is expected to remain the main growth driver, underpinned by steady performance in wholesale and retail trade, financial services, and public administration.

Despite this momentum, persistent challenges in agriculture, mining, and select manufacturing subsectors continue to weigh on overall performance. These pressures largely reflect significant declines in livestock farming and ongoing weakness in diamond mining. The combined impact of these sectoral constraints, together with lingering effects of the 2024 drought and subdued global demand, is expected to constrain short-term growth prospects. A recovery in the primary and secondary industries will be crucial to support more balanced growth for the remainder of 2025, although external headwinds particularly commodity price volatility remain a key risk to the outlook.