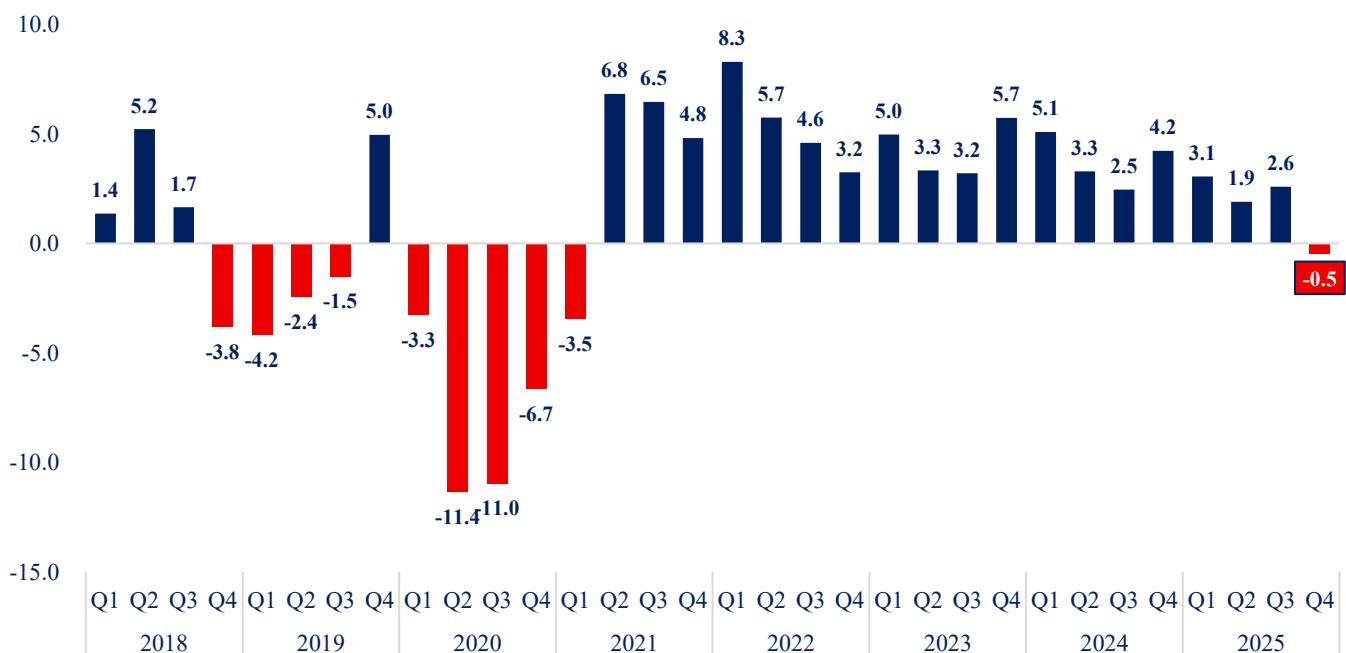


# GDP Q4 2025

The Namibian economy experienced a notable shift in Q4 2025, recording its first year-on-year contraction since first quarter of 2021. Following several years of post-pandemic recovery and mining-driven growth, the economy faced a challenging quarter, marked primarily by a significant downturn in the primary sector. This contraction outweighed steady gains observed in services and construction, resulting in a negative annual growth reading. Real GDP grew by -0.5% year-on-year, though the seasonally adjusted quarter-on-quarter growth remained positive at +6.4%, reflecting some short-term momentum.

Overall, the full-year 2025 growth slowed to **1.7%**, down from **3.8% in 2024**. The Primary Industries faced a marginal contraction of 0.5%, the Secondary Industries began a notable recovery, growing by 2.1% Leading the overall economy, the Tertiary Industries recorded the most significant growth at 4.2%.

Figure 1: Real GDP Growth Rates (2018 Q1 – 2025 Q4)



Source: Namibia Statistics Agency (NSA)

## 1. SECTORAL PERFORMANCE ANALYSIS

### Primary Industries

The primary sector bore the brunt of the economic slowdown, largely due to global market pressures and domestic environmental constraints. Within this sector, Mining & Quarrying contracted sharply by 28.8%, representing the largest drag on overall GDP. The decline was primarily driven by falling global demand for diamonds and the depletion of certain gold open-pit reserves. Meanwhile, Agriculture & Forestry continued to experience pressure from previous drought conditions, although late 2025 rainfall helped marginally boost output in key crop-producing regions with a growth of 1.4%. Collectively, these challenges underscored the vulnerability of Namibia's economy to external commodity shocks.

## Secondary Industries

The secondary sector delivered mixed outcomes. Construction emerged as a standout performer, expanding by 23.4%. This growth was supported by increased investment in energy infrastructure, particularly in green hydrogen pilot projects and oil and gas support services, alongside government-led public works. Conversely, Manufacturing contracted by 5.1%, largely due to reduced output in meat processing and mineral smelting, both of which were indirectly affected by the mining slowdown. Utilities (Electricity & Water), however, posted a 12.5% growth, benefiting from enhanced local power generation capacity and improvements in water management infrastructure.

## Tertiary Industries (Services)

The service sector remained resilient, preventing a deeper recession despite headwinds in primary industries. Wholesale & Retail Trade grew by 9.5%, signaling robust domestic consumption. Information & Communication expanded by 8.4%, reflecting ongoing digital transformation and network infrastructure development. Health & Education maintained steady growth of 6% and 4.9%, respectively, driven by sustained public sector investment. Financial Services experienced a slight contraction of 1%, indicative of a cautious lending environment and subdued private sector credit demand.

## 2. KEY ECONOMIC INDICATORS

In Q4 2025, Namibia's headline inflation eased to approximately 3.7%, down from 4.6% in 2024, reflecting a moderation in price pressures. The Bank of Namibia maintained the repo rate at 6.75% to support economic growth. The country recorded a narrowing trade deficit, largely supported by high-value uranium exports despite ongoing slumps in diamond demand. Namibia's main export partners remained China, South Africa, and Botswana, with uranium and fish continuing to constitute the bulk of its key exports.

## 3. OUTLOOK

While Q4 2025 represented a reset quarter, prospects for 2026 remain cautiously optimistic. The economy continues its transition from a diamond-dependent model to a more diversified energy and services hub, although mining volatility continues to leave a short-term gap in output.

### Downside Risks:

- **Commodity Price Volatility:** Persistent weakness in the natural diamond market could continue to constrain primary sector growth.
- **External Tariffs:** Global trade tensions or tariff adjustments may undermine export competitiveness.
- **Debt Servicing:** High public debt levels limit the government's ability to implement aggressive fiscal stimulus.
- **Oil Price Volatility:** Rising global oil prices could increase production and transportation costs domestically, putting pressure on both businesses and consumers, particularly affecting mining and quarrying, manufacturing, construction, and transportation and logistics sectors.

### Growth Drivers for 2026:

- **Energy Sector:** Ongoing foreign direct investment in oil, gas, and green hydrogen exploration is expected to bolster medium-term growth.
- **Infrastructure:** The significant 23% surge in construction activity indicates a strong pipeline of projects, which should support employment and economic expansion in 2026.