Capricorn Asset Management

Namibia: Comprehensive Economic Assessment, Funding Dynamics, and Sovereign Bond Yield Analysis (2008–2030)

2026

Subject: Historical Macroeconomic Analysis, Fiscal Funding Dynamics, and 3-Year Sovereign Bond Yield Scenarios under Geopolitical Stress

This report evaluates:

1. **The Current State of the Mining Sector:** Analyzing the transition from a declining diamond sub-sector to rapidly expanding gold and uranium sub-sectors, which paid a record N$7.8 billion to the government in 2025.

2. **Long-Term GDP and Tax Revenue Dynamics: :** Documenting sectoral contributions and the evolution of tax revenue streams.

3. **Consumer Price Inflation:** Tracing Namibia's inflation trajectory from the GFC-era highs of 9.5% through the COVID-19 historic low of 2.2%, to the current Iran conflict-driven spike.

4. **Government Expenditure and Funding Dynamics:** Detailing the structural rigidity of the national budget, where personnel expenditure and debt service costs consume over 50% of total revenue.

5. **Sovereign Bond Yield Curve and Geopolitical Risk Transmission:** Providing an analysis of the current Namibian Government Bond yield curve and modelling 3-year forward scenarios (2026–2029) factoring in the ongoing Iran conflict.

6. **The Frontier Outlook:** Evaluating the potential economic "regime shift" from upcoming deepwater offshore oil production in the Orange Basin and utility-scale green hydrogen projects.

7. **Foreign Direct Investment (FDI) Flows and Investment Ecosystem:** Assessing FDI trends from 2008 to 2024, showing the transition from modest post-independence flows to the hydrocarbon-driven surge from 2021 onward.

8. **Two rising stars:** Tourism, and Fishing: Examining the critical role of non-mining sectors, including the post-pandemic recovery of tourism and quota-constrained fishing dynamics.

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1. The State of Namibia's Mining Sector in 2025

The Namibian mining sector is in the process of firmly establishing itself as the primary engine of the country's economic recovery.

According to the Chamber of Mines of Namibia, the mining sector paid a record total of N$7.8 billion in taxes and royalties to the government in 2025, representing a massive 39% increase from the N$5.6 billion paid in 2024[1].

This fiscal windfall was achieved despite a 9.4% real contraction in the sector's overall real value added in 2025, driven by ongoing weakness in global diamond markets and reduced output in diamond mining, metal ores, and quarrying. The contraction was offset by strong operational performance and highly favourable commodity prices in the gold and uranium sub-sectors, which altered the internal composition of mining revenue[2].

The Gold and Uranium Pivot

Historically, onshore and offshore diamond mining (through Namdeb and Debmarine, joint ventures with De Beers) was the undisputed anchor of Namibia's mineral revenues. However, 2025 marked a structural shift:

- **Gold and Uranium Surges:** The increase in government mineral revenues was largely attributable to higher Corporate Income Tax (CIT) receipts from gold mining operations, notably B2Gold's Otjikoto Mine and Navachab Gold Mine. Gold production volumes rose by only about 1.9% in 2025, indicating that this growth was driven primarily by record-high global gold prices, which significantly enhanced mining profitability. We are seeing a significant surge in activity across the sector, driven by active exploration frontiers like Ongwe Minerals' Omatjete and Belmont Projects, Antler Gold's Onkoshi, Erongo, and Paresis Projects, and Osino Resources' Eureka and Ondundu Projects. Progress is also accelerating among advanced-development assets, where the Kokoseb project is nearing completion of its definitive feasibility stage and the Antelope project remains on track for a late-2028 production startup. Tying this momentum together, the Twin Hills project has officially moved into the construction phase, signalling strong medium-term growth for the industry.
- **Uranium Resurgence:** Uranium recorded the strongest volume growth, increasing by 20.8% in real terms, largely due to the restart of the Langer Heinrich Uranium Mine, which significantly boosted national output, alongside improved operational performance at Rössing Uranium and Husab Mine[3]. There are also other projects that are in the Advanced development pipeline, such as the Tumas Project being run by Deep Yellow, which is expected to be operational by mid-2027, yet final investment decision is still pending and the Etango-8 project run by Bannerman Energy which is expected to be in production by 2028 and finally the Norasa project, which is the least advanced of the three but is still notable.
- **Diamond Decline:** In contrast, diamond production declined by 5.6%, reflecting prolonged structural weakness in global diamond markets due to rising competition from synthetic, lab-grown diamonds and high retail inventories. Corporate income tax from diamond mining operations is expected to decline, while non-diamond mining taxes is expected to increase significantly[4]

Copper: The Next Metallic Super Cycle

Copper has historically played a cyclical role in Namibia's mining sector. In 2008, during the height of the pre-GFC commodity boom, copper prices averaged USD 3.15/lb[5](with Namibia producing 7,200 metric tonnes of copper concentrate, primarily from the historic Kombat mine and the Tsumeb smelter)[6]. However, the global financial crisis and subsequent structural challenges led to a prolonged decline. By 2016, copper prices bottomed out at USD 2.21/lb[7] , and Namibia's production dwindled as Kombat entered care and maintenance. Today, the copper market is undergoing a massive structural transformation. Driven by the global green energy transition and AI data centre infrastructure demand, copper prices surged to USD 6.65/lb (approximately USD 14,500 per tonne) in May 2026, representing a historic high. This record price environment has triggered a wave of FDI into Namibia's copper assets:

[1-4] Chamber of Mines of Namibia. (2025). 2025 Annual Review. Available: Annual Reviews – Chamber of mines. [Accessed: 10 July 2026].
[5]Federal Reserve Bank of St Louis. (n.d.) Global price of copper. Available: Table Data - Global price of copper | FRED | St. Louis Fed. [Accessed: 13 July 2026].
[6] USGS. (2008). 2008 Minerals Yearbook: Namibia. Available: The Mineral Industry of Namibia in 2008. [Accessed 13 July 2026].
[7] Federal Reserve Bank of St Louis. (n.d.) Global price of copper. Available: Table Data - Global price of copper | FRED | St. Louis Fed. [Accessed: 13 July 2026].

1. The Omitiomire Copper Project (Appian Capital): In May 2026, Appian Capital Advisory acquired a 95% stake in the Omitiomire copper project. Appian plans to fast-track development, targeting an open-pit mine producing 30,000 tonnes of copper per annum over a 15-year mine life[8].

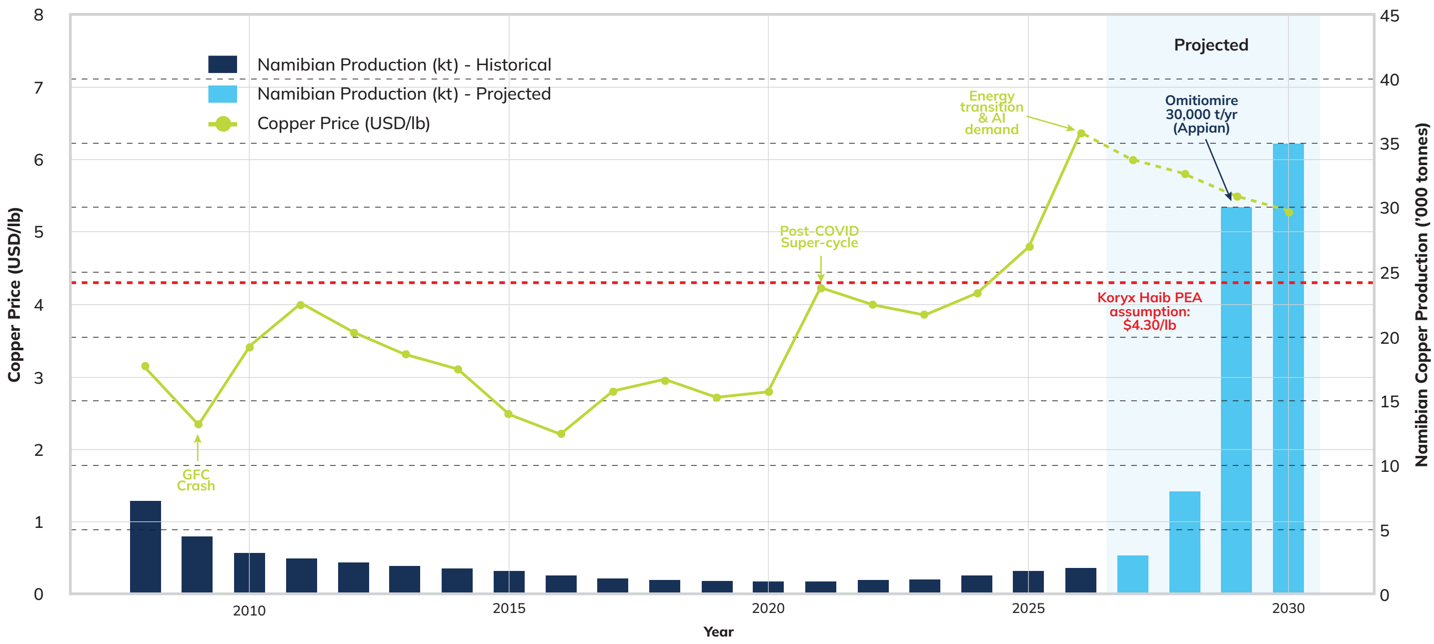
2. The Haib Copper Project (Koryx Copper): Located in southern Namibia, Haib is one of the largest undeveloped porphyry copper deposits in Africa. Koryx Copper is advancing toward a Pre-Feasibility Study (PFS) by year-end 2026[9]. The PEA models a massive output of just under 100,000 tonnes of copper per annum at an estimated USD 1.5 billion capex. Koryx has attracted significant strategic capital from Chinese and Middle Eastern investors, with a Final Investment Decision (FID) targeted for 2028.

3. Kombat Mine: Trigon Metals sold its 80% stake in the historic Kombat mine in December 2025[10] to Horizon Corporation Limited. Horizon is currently advancing plans to restart copper production at the Kombat Mine.

4. Hope and Gorob Copper-Gold Project: The Hope & Gorob Copper Project is one of Namibia's most advanced near-term copper developments and could become an important contributor to the country's copper sector. The project's initial mining plan focuses on the Hope open pit, is expected to produce around 8,000 tonnes of contained copper per year at full capacity[11].

   These projects are projected to transform Namibia's copper production from a negligible 776 tonnes of copper concentrate and 3,237 tonnes of copper cathode in 2025[12] to 35,000 tonnes by 2030 (driven by Omitiomire's full ramp-up), with the potential to exceed 135,000 tonnes by 2033 if Haib reaches commercial production. This copper boom will establish a third major mineral export pillar alongside uranium and gold.

Namibia: Copper Price & Domestic Production (2008-2030)



Sources: LME/CME; TheGlobalEconomy.com; Appian Capital; Koryx Copper; Author Projections

[8] Appian Capital Advisory. (2026). Appian acquires Omico Copper in strategic Namibia buyout. Available: Appian acquires Omico Copper in strategic Namibia buyout - Appian Capital Advisory. [Accessed: 13 July 2026].
[9] Investment News Network. (2026). Koryx Copper Announces Updated Mineral Resource Estimate for the Haib Copper Project, Southern Namibia. Available: Koryx Copper Announces Updated Mineral Resource Estimate for the Haib Copper Project, Southern Namibia | INN. [Accessed: 13 July 2026].
[10] Mining & Energy Namibia. (2025). Trigon shareholders approve N$429 million sale of Kombat Mine. Available: Trigon shareholder approves N$429 million sale of Kombat Mine. [Accessed: 13 July 2026].
[11] The Extractor Magazine. (2026). Hope and Gorob Project: Namibia's Next Copper-Gold Producer. Available: Hope and Gorob Project: Namibia's Next Copper-Gold Producer – The Extractor Magazine. [Accessed: 13 July 2026].
[12] Chamber of Mines of Namibia. (2025). 2025 Annual Review. Available: Annual Reviews – Chamber of mines. [Accessed: 10 July 2026].

Mining Sub-Sector Contribution and Diversification

The table below provides the nominal GDP values (current prices) for each mining sub-sector as of 2025.

Mining Sub-Sector	2025 Nominal GDP (N$ Millions)	% of Total Mining GDP	% of Total National GDP
Metal Ores (incl. Gold, Copper, Zinc)	N$ 20,867	55.3%	7.7%
Uranium Mining	N$ 7,319	19.4%	2.7%
Diamond Mining	N$ 6,547	17.4%	2.4%
Other Mining and Quarrying	N$ 3,005	8.0%	1.1%
Total Mining and Quarrying GDP	N$ 37,718	100.0%	14.0%

Source: Namibia Statistics Agency (NSA)

This data highlights a critical structural strength of Namibia's resource economy: diversification. Unlike neighbouring Botswana, which is heavily exposed to a single commodity (diamonds) and has suffered severe fiscal distress due to the global diamond price crash, Namibia's mining industry is highly diversified. The surge in gold and uranium production has successfully cushioned the economy against the 19.4% contraction in diamond output, demonstrating that Namibia's multi-mineral asset base acts as a resilient economic shock absorber.

Socio-Economic Footprint and Local Procurement

The mining sector remains a vital contributor to domestic employment and industrial development:

- **Employment:** Total direct employment by Chamber of Mines members declined slightly to 20,798 employees in 2025 (down from 21,400 in 2024), primarily due to retrenchments and voluntary separations at the Sinomine Tsumeb Smelter and Debmarine Namibia. However, contractor employment increased significantly, driven by development and construction activities at major projects such as the Twin Hills Gold Project (Osino/Yintai), the Tumas Uranium Project (Deep Yellow), and the Etango Uranium Project (Bannerman)[13].
- **Local Procurement:** In 2025, the mining industry spent N$23.97 billion on locally sourced goods and services, representing 65% of total procurement expenditure and 37.4% of total mining revenue[14]. This high level of local procurement supports domestic SMEs, strengthens local supply chains, and promotes broader economic value creation.

[13-14] Chamber of Mines of Namibia. (2025). 2025 Annual Review. Available: Annual Reviews – Chamber of mines. [Accessed: 10 July 2026].

2. GDP Sectoral Contributions (2008–2030)

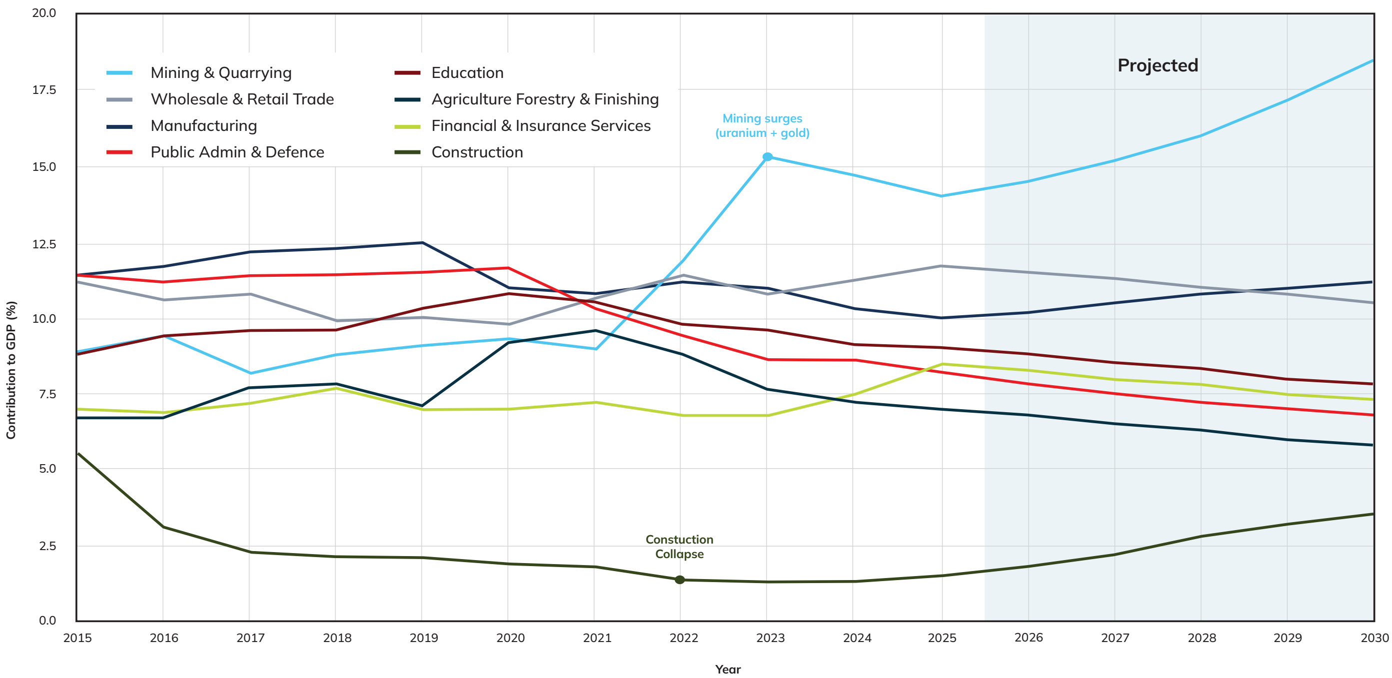
To understand the structural shifts in Namibia's economy, we examine the sectoral contributions to Gross Domestic Product (GDP) over a 22-year period. The latest Bank of Namibia (BoN) projections for growth are 1.7% in 2025, 2.6% in 2026, 2.9% in 2027 and 3.2% for 2028[15].

Table 1: Namibia GDP Sectoral Contribution Shares (%, 2008–2030)

Sector	2008	2011	2014	2017	2020	2023	2024	2025	2028 (p)	2030 (p)
Primary Industries	24.8%	16.9%	17.7%	15.8%	18.4%	22.9%	21.8%	21.0%	21.5%	23.5%
Agriculture, Forestry & Fishing	4.0%	5.0%	8.1%	7.7%	9.2%	7.6%	7.2%	7.0%	5.5%	5.0%
Mining & Quarrying	17.2%	8.7%	9.5%	8.2%	9.3%	15.3%	14.7%	14.0%	16.0%	18.5%
Secondary Industries	17.5%	19.1%	17.1%	17.9%	16.5%	15.3%	14.9%	15.0%	15.0%	15.5%
Manufacturing	11.4%	13.7%	9.9%	12.2%	11.0%	11.0%	10.3%	10.0%	11.2%	11.5%
Electricity, Water & Construction	6.0%	5.5%	7.3%	5.7%	5.5%	4.4%	4.6%	5.0%	3.8%	4.0%
Tertiary Industries (Services)	50.2%	56.0%	57.7%	58.7%	58.9%	53.0%	54.0%	54.9%	55.0%	53.0%
Wholesale, Retail & Tourism	12.3%	13.2%	14.0%	12.7%	11.2%	12.3%	12.8%	13.3%	12.5%	12.0%
Finance, Real Estate & Business	12.0%	14.1%	11.1%	12.5%	12.7%	11.6%	12.1%	13.2%	13.5%	13.0%
Public Admin, Education & Health	22.8%	21.3%	23.8%	24.4%	26.0%	21.3%	21.2%	20.8%	21.0%	20.0%
Other Services	3.1%	7.4%	8.8%	9.1%	9.0%	7.8%	7.9%	7.6%	8.0%	8.0%
Taxes less subsidies	7.5%	8.0%	7.5%	7.6%	6.2%	8.8%	9.3%	9.1%	8.5%	8.0%
Total GDP	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Sources: Namibia Statistics Agency: Projections by Capricorn Asset Management (2026–2030).

Namibia: GDP Sectoral Contributors (2015-2030)



Source: NSA Annual National Accounts 2025 (Table F)

[15] Bank of Namibia. (2026). Economic Outlook Update: March 2026. Available: 51b89368-eef1-4481-9e6b-e7b6c7e27ee9.pdf. [Accessed: 17 July 2026].

Analysis of GDP Trends

The data illustrates three distinct macroeconomic epochs in Namibia's recent history:

1. **The Commodity Boom (2008–2015):** In 2008, Mining and Quarrying was a massive economic anchor, contributing 17.1% of GDP[16]. This was the peak of the global commodity super-cycle. High prices for diamonds, uranium, and base metals supported strong national growth.

2. **The Stagnation and Fiscal Crisis (2016–2020):** Following the end of the commodity boom, mining's share of GDP fell to a low of 8.2% in 2017 [17]. This decline, combined with severe multi-year droughts and a collapse in the domestic construction sector (which fell from 5.5% of GDP in 2015 to just 1.4% by 2023) [18], plunged the country into a structural recession. To offset private sector contraction, the government implemented an expansionary fiscal policy in 2020 to prevent economic collapse due to the COVID-19 pandemic. This pushed the share of Public Administration, Education & Health to a historic peak of 26% of GDP in 2020 [19], introducing more structural rigidity on the state's expenditure and the crowding out of investment.

3. **The Resource-Led Recovery (2021–2025):** Since 2022, the mining sector has rebounded strongly, reaching 15.3% of GDP in 2023 and stabilizing at 14.0% in 2025 [20]. This recovery is driven by the ramp-up of the Husab Uranium Mine, the restart of Langer Heinrich, and record gold production [21].

4. **Ramp up (2026-2030):** Over the medium term, mining's share is projected to expand to 18.5% as major new uranium (Tumas, Etango) and gold (Twin Hills) projects enter commercial production.

5. **Transformation (2030 onwards):** Over the long term, oil discoveries have the potential to radically transform the Namibian economy.

3. Consumer Price Inflation: Trends, Drivers and Outlook

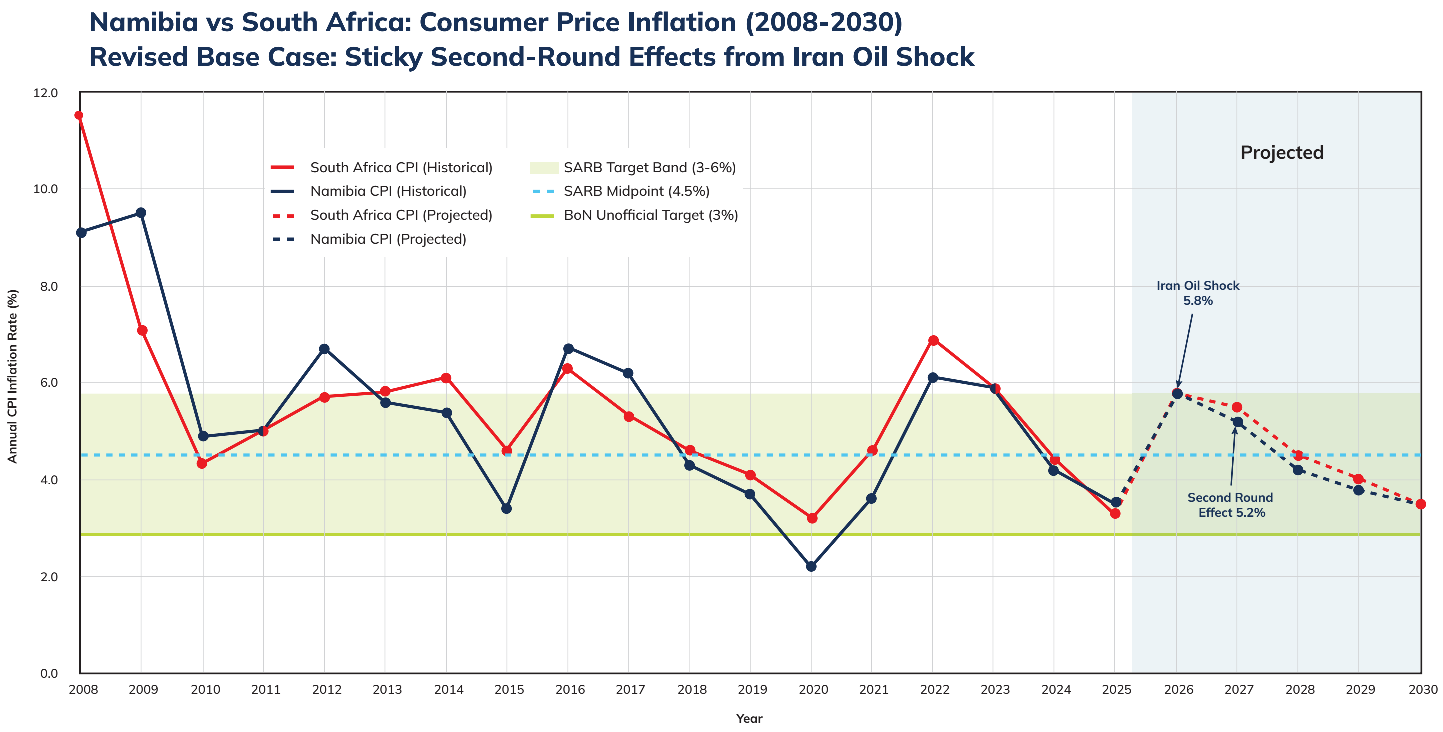
Inflation is a critical macroeconomic variable for Namibia, directly influencing monetary policy, bond yields, real wages, and the cost of government borrowing. As a member of the Common Monetary Area (CMA), Namibia's inflation dynamics are structurally linked to South Africa's, given the 1:1 currency peg between the Namibian Dollar and the South African Rand..

Table 2A: Namibia Annual CPI Inflation Rate (%, 2008–2021)

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Namibia CPI	9.1%	9.5%	4.9%	5.0%	6.7%	5.6%	5.4%	3.4%	6.7%	6.2%	4.3%	3.7%	2.2%	3.6%
South Africa CPI	11.5%	7.1%	4.3%	5.0%	5.7%	5.8%	6.1%	4.6%	6.3%	5.3%	4.6%	4.1%	3.2%	4.6%

Sources: World Bank WDI (2008–2024) [24]; NSA NCPI Bulletin (2025–2026) [25]; Bank of Namibia Economic Outlook (2026–2030) [15]; IMF Article IV (2026) [6].

[15] Bank of Namibia. (2026). Economic Outlook Update: March 2026. Available: 51b89368-eef1-4481-9e6b-e7b6c7e27ee9.pdf. [Accessed: 17 July 2026].
[16- 19] Namibia Statistics Agency. (2023). GDP Time Series 1980-2023. Available: GDP-Time-Series-1980-2023.xlsx [Accessed: 17 July 2026].
[20- 21] Chamber of Mines of Namibia. (2025). 2025 Annual Review. Available: Annual Reviews – Chamber of mines. [Accessed: 10 July 2026].



Inflation Cycles and Key Drivers

Namibia's inflation history since 2008 and projections into the future can be split into five time periods:

The Global Financial Crisis Spike and Moderate Growth Period (2008–2015): Inflation peaked at 9.5% in 2009, driven by global food and fuel price surges preceding the GFC. This was the highest inflation rate in Namibia's post-independence history and coincided with South Africa's own peak of 9.9% in 2008. From 2010, inflation moderated to the 3.4–6.7% range, broadly tracking South Africa. The 2012 and 2016 spikes (6.7% each) were driven by drought-induced food price increases and administered price adjustments (electricity tariffs, water levies) [22].

The Disinflation Era and Recessionary Conditions (2016–2020): Inflation fell to a historic low of 2.2% in 2020, as the COVID-19 pandemic led to fuel price collapses, and weak domestic consumption which suppressed price growth[23]. This period allowed the Bank of Namibia to cut the repo rate to 3.75%, providing monetary stimulus.

The Post-COVID Reflation and Oil Shock (2021–2025): Inflation surged to 6.1% in 2022 as global supply chain disruptions, the Russia-Ukraine war, and rising fuel costs pushed prices higher. It moderated to 3.5% in 2025[25] .

The Ramp up period (2026-2030): The ongoing Iran conflict and its impact on global oil prices (Brent crude at USD 105/bbl in May 2026) is expected to push CPI close to 6% in early 2027, with the annual average reaching approximately 4.6%. Critically, the second-round effects of the fuel price shock mean that inflation will remain elevated before gradually drifting downwards.

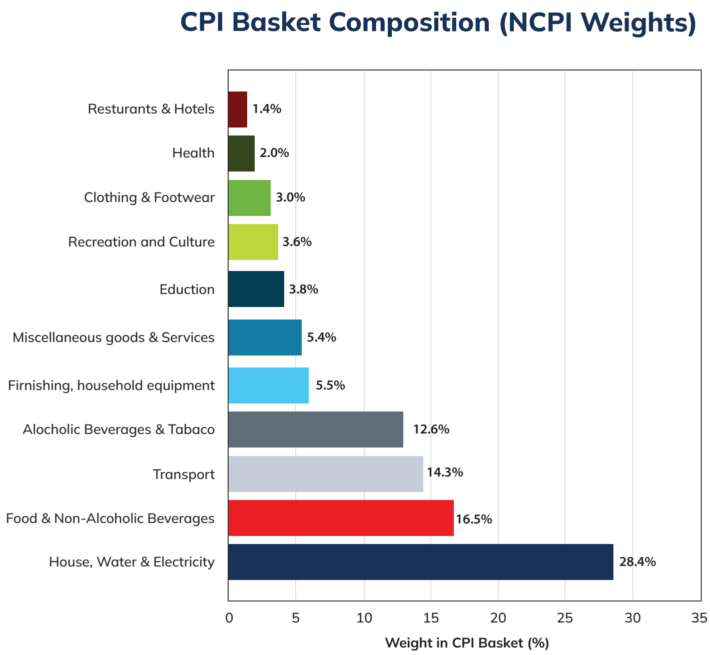
Transformation Period (2030 and beyond): Much will depend on policy reactions in unchartered territory. Key considerations include the currency peg, the role of the sovereign wealth fund and how much of the oil revenue will hit the domestic economy.

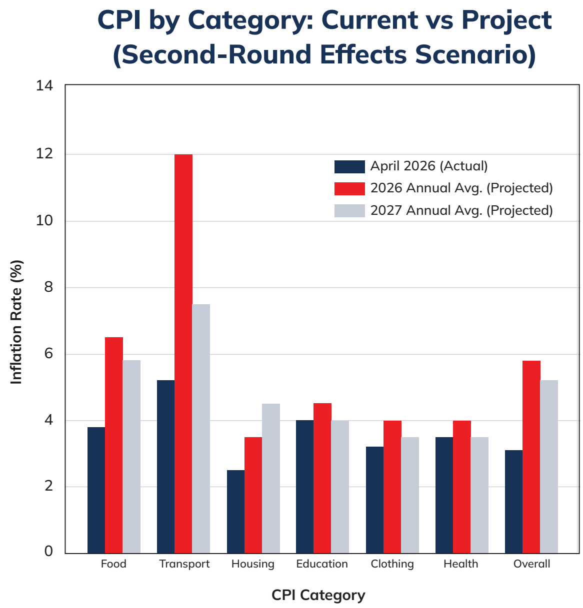
CPI Basket Composition and Vulnerability

- **Housing, Water, Electricity, Gas & Other Fuels (28.4%):** The single largest component of the basket, driven by NamPower electricity tariff increases and municipal charges.
- **Food & Non-Alcoholic Beverages (16.4%):** Highly sensitive to global food prices, domestic agricultural yields, regional drought conditions, and the NAD/USD exchange rate.
- **Transport (14.3%):** Directly exposed to international oil prices via the domestic fuel price mechanism, making the transport index the primary transmission channel for the 2026 fuel shock.

[22] World Bank. (2026). Inflation, consumer prices (annual %) – Namibia, South Africa. Available: Inflation, consumer prices (annual %) - Namibia | Data. [Accessed: 17 July 2026].
[23] World Bank. (2026). Inflation, consumer prices (annual %) – Namibia, South Africa. Available: Inflation, consumer prices (annual %) - Namibia | Data. [Accessed: 17 July 2026].
[24] World Bank. (2026). Inflation, consumer prices (annual %) – Namibia, South Africa. Available: Inflation, consumer prices (annual %) - Namibia | Data. [Accessed: 17 July 2026].

- **Alcoholic beverages and Tobacco (12.6%):** Covers beer, wines, spirits and tobacco products. Prices heavily impacted by SACU excise duty adjustments, usually increased in March each year.
- **Furnishing, household equipment and maintain (5.5%):** Covers furniture, household appliances, textiles, glassware and routine home maintenance and repair services.
- **Miscellaneous Goods & Services (5.4%):** Covering personal care, insurance, and financial services.
- **Communications (3.8%):** Covers mobile and fixed-line telephone services, data, and handset equipment. This has been one of the most consistently disinflationary categories in the basket
- **Education (3.6%):** Reflecting school fees and academic materials.
- **Recreation and Culture (3.6%):** Covers audio-visual equipment, sporting goods, cinema and event admissions, newspapers, books and package holidays.
- **Clothing & Footwear (3.0%):** Subject to import logistics and retail margins.
- **Health (2.0%):** Medical services and pharmaceutical products.
- **Restaurants & Hotels (1.4%):** Driven by domestic demand and tourism hospitality pricing





Medium-Term Inflation Outlook (2026–2030)

The following assumptions anchor the inflation projection:

- **Base Case**: The Iran conflict is resolved by Q3 2026, but second-round effects persist. Brent crude normalizes to USD 100/bbl by year-end (with the elevated baseline oil price reflecting sustained geopolitical risk premiums). However, food distribution costs, NamPower tariff increases, and wage-price pressures keep inflation elevated at 5.8% in 2026 and 5.2% in 2027. Normalization to 3.5% occurs only by 2030. The BoN is forced to hike the repo rate to 7.50% (peaking mid-2027) before beginning a gradual easing cycle from mid-2028.
- **Bear Case:** Prolonged conflict keeps oil above USD 90/bbl. Combined with a potential El Niño drought, inflation could spike to 6.3% in the first quarter of 2027, forcing the BoN to hike to 8.50% and keeping the economy in a high-rate environment through 2028.
- **Bull Case:** Immediate ceasefire and oil normalization to USD 60-80/bbl. Inflation moderates to 4.2% in 2026 and 3.7% by 2027. The BoN holds rates steady and begins cutting from late 2026.

The key structural risk to Namibia's inflation outlook is the food component, which is vulnerable to El Niño-driven droughts in the Southern African region. A severe drought in 2027 or 2028 could add 1.0–1.5 percentage points to headline inflation independent of oil dynamics.

4. Government Revenue and Tax Composition

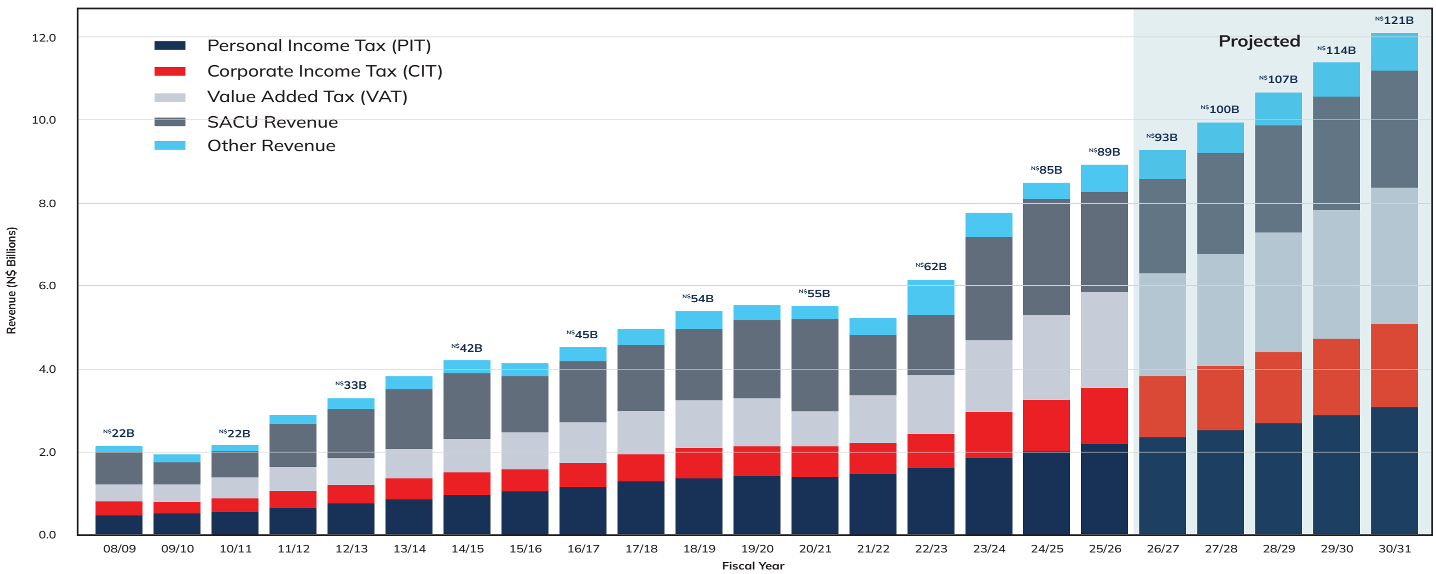
Namibia's fiscal revenue model has historically been highly volatile, characterized by heavy reliance on regional trade receipts and a narrow domestic tax base.

Table 2: Namibia Government Revenue Composition (N$ Billions, FY2008/09–FY2030/31)

Revenue Stream	FY08/09	FY11/12	FY14/15	FY17/18	FY20/21	FY23/24	FY24/25	FY25/26 (e)	FY26/27 (p)	FY28/29 (p)	FY30/31 (p)
Individual Income Tax (PIT)	4.6	7.3	10.2	13.2	13.8	18.6	19.3	18.1	19.2	21.6	24.5
Corporate Income Tax (CIT)	3.3	3.9	7.0	8.0	7.6	11.0	12.6	13.9	13.2	14.9	15.8
Of which: Mining CIT	1.2	1.5	1.8	2.2	1.5	4.8	5.6	7.8	6.6	8.2	8.7
Value Added Tax (VAT)	4.3	8.0	10.4	12.6	9.8	18.9	21.1	22.6	24.1	26.0	27.5
SACU Receipts	8.5	7.2	18.1	19.6	22.3	24.9	28.6	21.9	24.0	26.7	30.3
Other Revenue (Royalties, etc.)	0.5	0.8	1.1	1.3	4.5	8.2	7.5	10.9	9.8	10.8	12.2
Total Revenue	21.2	27.2	46.8	54.7	57.9	81.5	89.1	87.4	90.2	99.9	110.3

Sources: Bank of Namibia

Namibia: Government Revenue Composition (FY2008/09 - FY2030/31)



Sources: Ministry of Finance;

Analysis of Revenue Dynamics

- **The SACU Dependency and Shock:** Receipts from the Southern African Customs Union (SACU) have historically been a major fiscal funding source, peaking at 38.5% of total revenue in FY2020/21[25]. However, SACU revenues are highly volatile, linked directly to South African import volumes and regional trade performance. In FY2025/26, Namibia experienced a severe 23.5% collapse in SACU receipts (falling from N$28.6 billion in FY2024/25 [26] to N$21.9 billion [27]), creating a major fiscal gap.
- **Mining CIT as a Fiscal Buffer:** This SACU collapse was mitigated slightly by the mining sector. Mining Corporate Income Tax (CIT) surged to N$7.8 billion in FY2025/26, up from N$5.6 billion in FY2024/25, driven by gold and uranium, which has the potential to be a fiscal anchor, yet it is still quite small when compared to VAT and SACU receipts. Non-tax mining revenues, including royalties (N$2.5 billion) and export levies (N$685 million), further cushioned the budget . [28].
- **The Improvement of CIT:** Corporate Income Tax (driven heavily by mining) is projected to increase its share of total revenue to 14.7% by 2030, reducing Namibia's structural dependency on volatile SACU receipts.

5. Government Expenditure and Rigidities

While revenue has grown, spending has grown too and the Namibian national budget has become highly rigid, characterized by high consumption spending and limited capital investment.

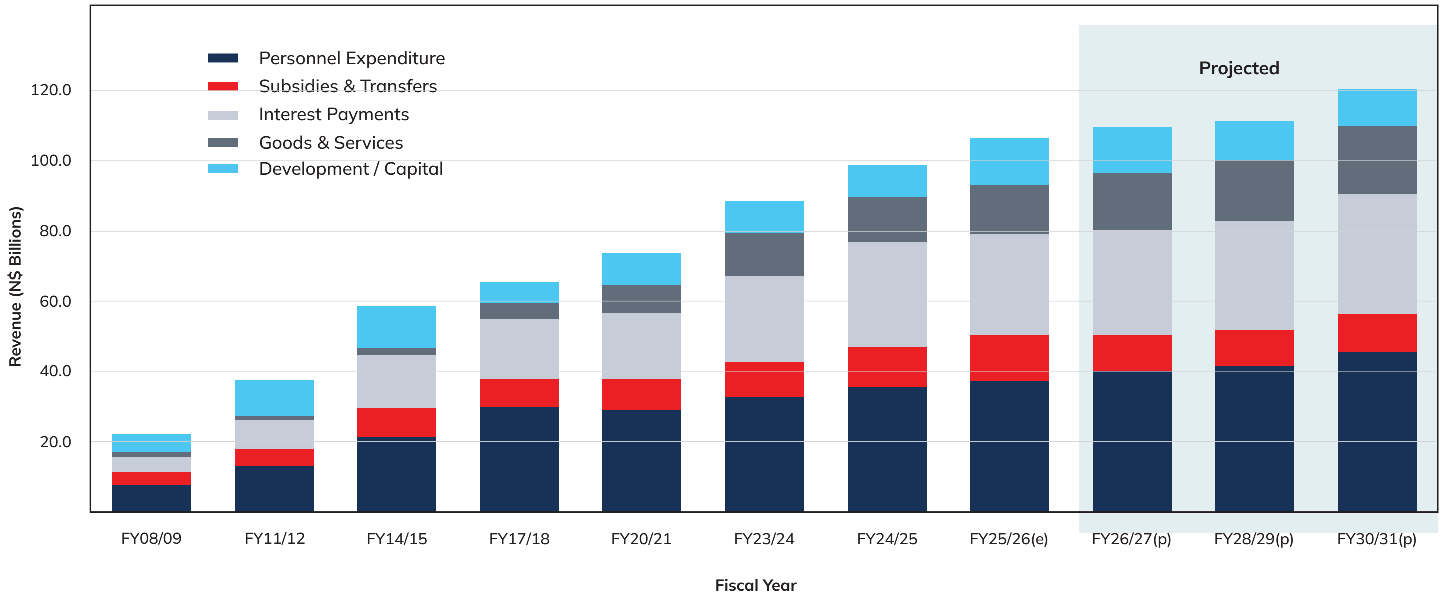
Table 3: Namibia Government Expenditure (N$ Billions, FY2008/09–FY2030/31)

Expenditure Category	FY08/09	FY11/12	FY14/15	FY17/18	FY20/21	FY23/24	FY24/25	FY25/26 (e)	FY26/27 (p)	FY28/29 (p)	FY30/31 (p)
Personnel Expenditure (Wages)	7.6	12.7	21.5	29.1	28.7	32.4	35.5	37.0	40.1	41.	45.1
Goods & Services	3.5	4.9	8.0	8.4	9.0	10.2	11.4	12.9	10.0	10.1	11.1
Transport & Subsidies	4.5	8.4	15.2	16.9	18.8	24.2	29.6	28.9	29.9	31.0	34.1
Interest Payments (Debt Service)	1.4	1.2	2.1	5.2	7.8	12.5	13.1	14.3	16.2	17.8	19.4
Capital (Development) Budget	5.0	10.2	11.5	5.5	8.9	8.8	8.8	12.9	13.4	10.7	10.4
Total Expenditure	21.9	37.4	58.2	65.1	73.2	88.1	98.4	106.0	109.5	110.9	120.1

Sources: Ministry of Finance

[25] Ministry of Finance. (2020). FY2020/21 Budget Statement. Available: fy201921-budget-statement-94d884a615.pdf. [Accessed: 17 July 2026].
[26] Ministry of Finance. (2025). Budget Statement for the 2024/25 Financial Year. Available: Republic-of-Namibia-2024-25-Budget-Statement.pdf. [Accessed: 17 July 2026].
[27] Ministry of Finance. (2026). Budget Statement for the 2025/26 Financial Year. Available: Republic-of-Namibia-2025-26-Budget-Statement_250327_145903.pdf. [Accessed: 17 July 2026].
[28] Chamber of Mines of Namibia. (2025). 2025 Annual Review. Available: Annual Reviews – Chamber of mines. [Accessed: 10 July 2026].

Namibia: Government Expenditure by Key Category (FY2008/09 - FY2030/31)



Sources: Ministry of Finance; IPPR Budget Papers; IMF Article IV 2025

Analysis of Budgetary Rigidities

- **The Civil Service Wage Bill:** Personnel expenditure is the single largest component of the budget. It grew from N$7.6 billion in FY2008/09 to N$37 billion in FY2025/26[29]. The wage bill consumes 42.3% of all government revenue and 35% of total expenditure in FY25/26. This high level of consumption spending crowds out public investment.
- **Rising Debt Service Costs:** The rapid accumulation of public debt has caused interest payments to surge from N$1.4billion in FY2008/09 to N$12.9 billion in FY2025/26[30].
- **The Squeezed Capital Budget:** To fund wages and interest, the development (capital) budget increased from N$11.5 billion in FY2014/15 to N$12.9 billion in FY2025/26 (with certain developmental and off-budget expenditures included), the core development budget remains severely squeezed, limiting the government's ability to address infrastructure deficits in water, electricity, and logistics[31].

6. Government Funding, Debt Issuance, and Deficits

Namibia's fiscal trajectory has led to a significant increase in public debt over the past 15 years, shifting the government's funding and debt management strategies.

The Accumulation of Public Debt

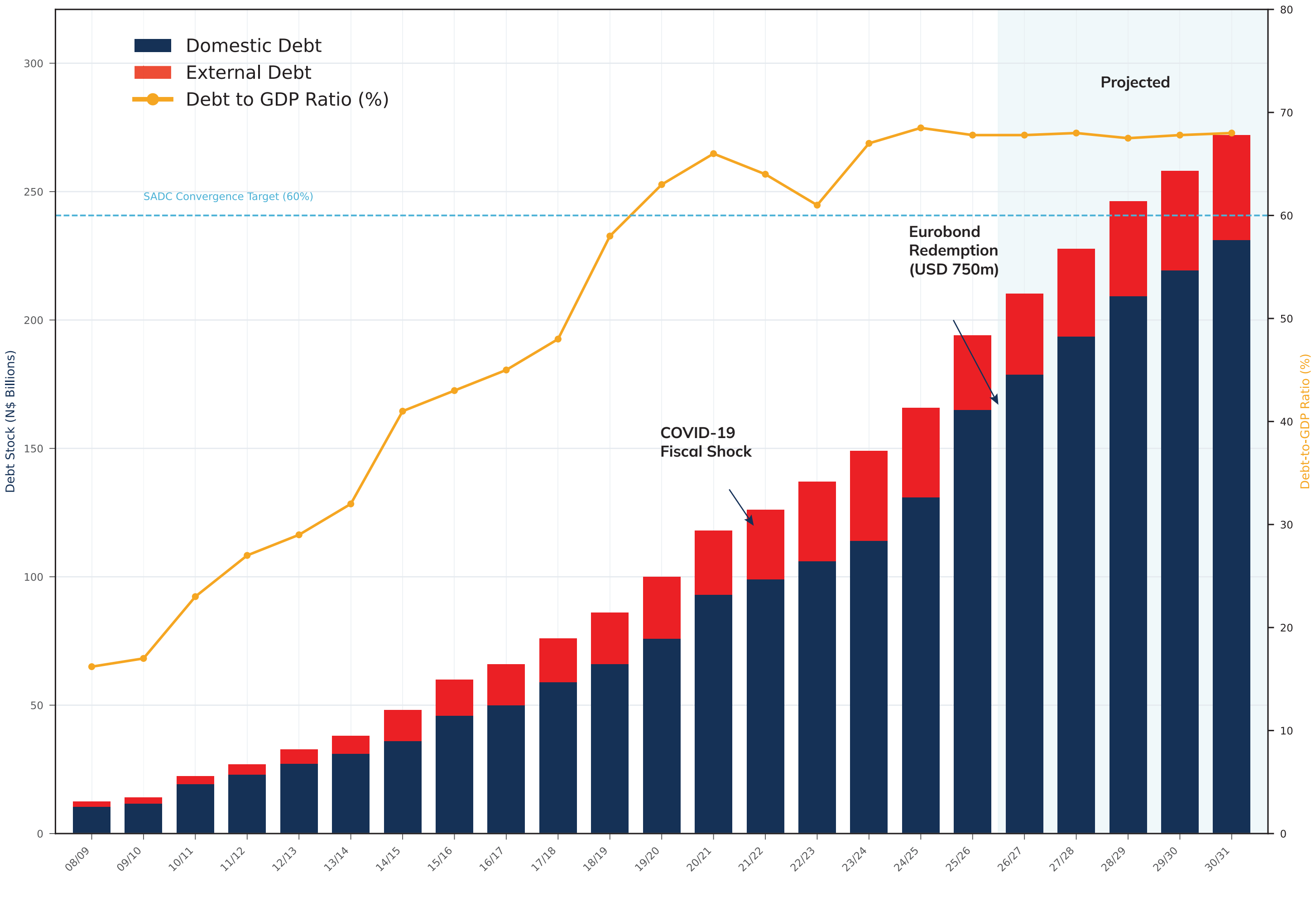
In FY2008/09, Namibia was in a strong fiscal position, with total public debt at just N$14.8 billion[32]. Following the end of the commodity boom in 2015, the government ran large budget deficits, funded through debt issuance. By FY2028/29, total public debt is projected to reach N$217.3 billion, before stabilising at 67.5% of GDP - exceeding the SADC macroeconomic convergence target of 60% of GDP[33].

[29-30] IPPR. (2025). Namibia's National Budget 2025/26: Analysis. Available: 2526-Budget-paper-final.pdf. [Accessed: 17 July 2026].
[31] PWC. (2014). Budget Statement: Inclusive Growth and Fiscal Sustainability. Available: 2014_budget_statement-namibia-19_feb_2014.pdf. [Accessed: 17 July 2026].
IMF. (2025). Available: Namibia: Technical Assistance Report-Public Investment Management Assessment–PIMA and Climate PIMA; IMF Technical Assistance Report No. 26/12; August 2025. [Accessed: 17 July 2026].
[32] PwC. (2009). Namibia Budget Review 2008/2009. Available: Namibia Budget Review 2008/09. [Accessed: 17 July 2026].
[33] Ministry of Finance. (2026). Budget Statement for the year (2026/2027). Available: 2026-minister-of-finance-annual-budget-statement.pdf. [Accessed: 17 July 2026].

When factoring in state-backed sovereign guarantees of N$9.35 billion, Namibia's total public sector exposure (debt-plus-guarantees) reaches 68.7% of GDP (N$183.93 billion). This stands in contrast to South Africa, where the ratio of public debt and guarantees has reached 85% of GDP, highlighting Namibia's relatively superior sovereign solvency position despite regional headwinds[34].

Given a persistent budget deficit and higher financing requirements, the debt-to-GDP ratio and the interest-to-revenue ratio will remain elevated over the medium term (2026–2030) rather than declining as rapidly as previously projected, it will ensure a high and steep yield curve for Namibian investors.

Namibia: Government Debt Stock & Debt-to-GDP Ratio (FY2008/09-FY2030/31)



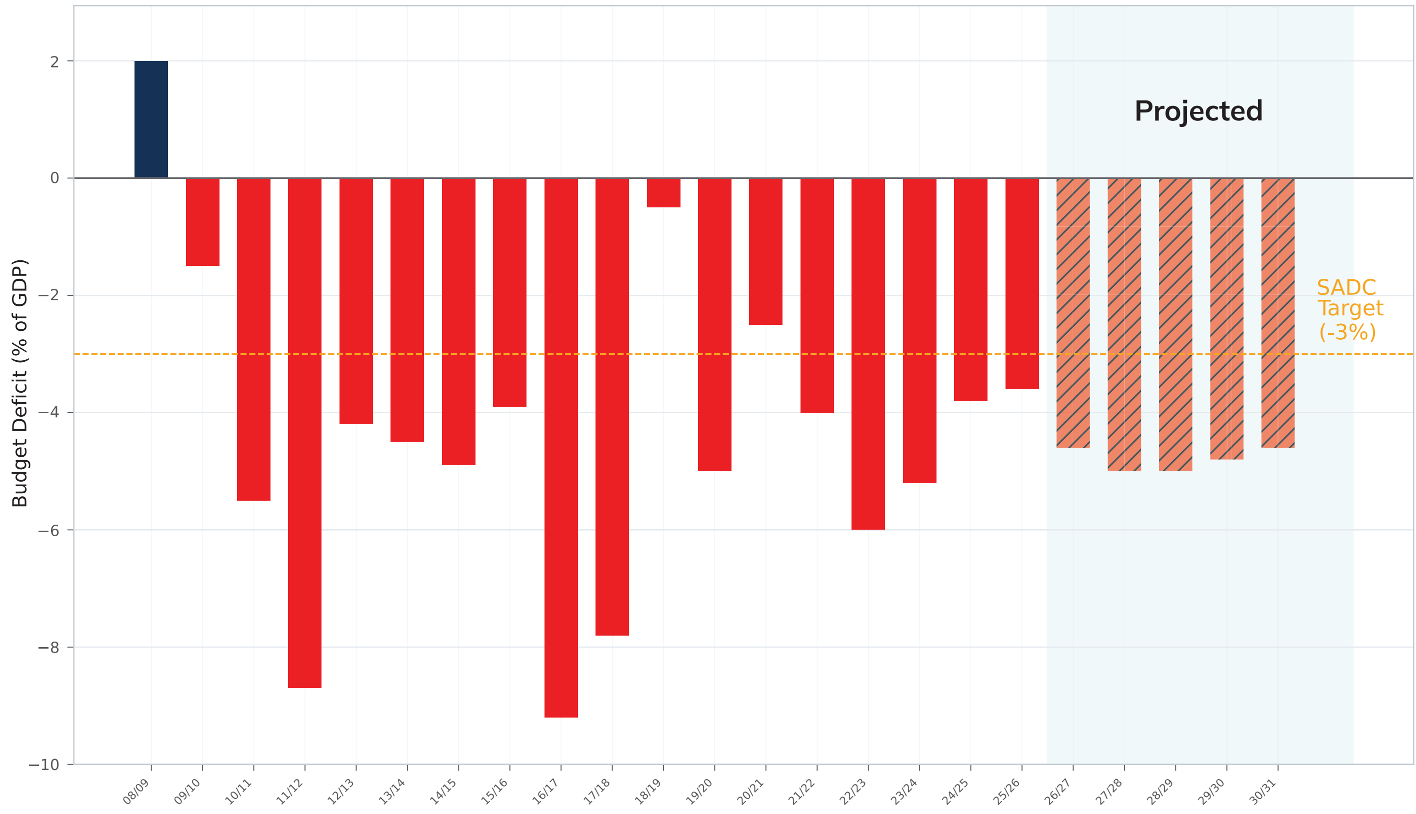
Sources: Ministry of Finance; Bank of Namibia; FNB Budget Review (2025); IMF Article IV

Budget Deficit Trends and SADC Targets

The overall budget deficit has, in most cases, exceeded the SADC macroeconomic convergence target of -3% of GDP since 2010[35]. In FY2025/26, the deficit widened to -6% of GDP (N$18.5 billion), driven by the collapse in SACU receipts and a drop in diamond mining corporate tax[36]. Over the medium term (2026–2030), the budget deficit is projected to move towards the 3% of GDP range, at a moderate pace. This persistent deficit is driven by sticky inflation, high public consumption, and elevated debt service costs, which will keep Namibia's public debt stock and interest-to-revenue ratio elevated over the next five years.

[34] National Treasury. (2026). Budget Review 2025/26. Available: Microsoft Word - Prelims and Foreword.docx and Bank of Namibia. (2026). Available: b49318f8-0420-4210-aba5-8415a04d4503.pdf.
[35] Ministry of Finance. (2014). 2014/15 Budget Statement. Available: 2014_budget_statement-namibia-19_feb_2014.pdf. [Accessed: 17 July 2026].
[36] The Brief. (2026). Namibia's fiscal deficit seen widening to up to N$20bn in FY2025/26. Available: Namibia's fiscal deficit seen widening to up to N$20bn in [Accessed: 17 July 2026].

Namibia: Government Debt Stock & Debt-to-GDP Ratio (FY2008/09-FY2030/31)



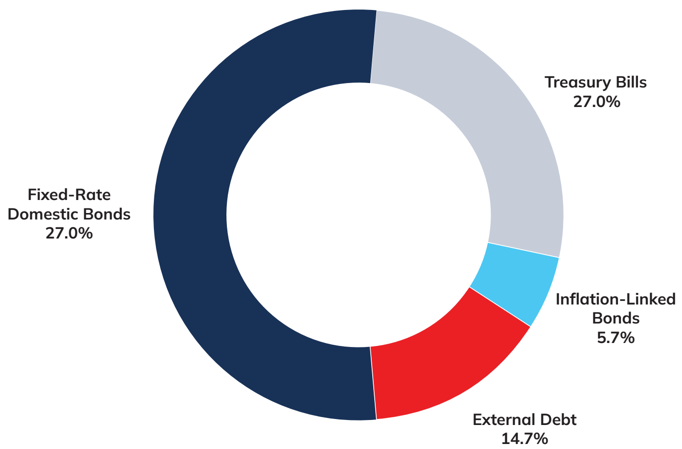
Sources: Bank of Namibia

Debt Composition and Sovereign Risk Profile

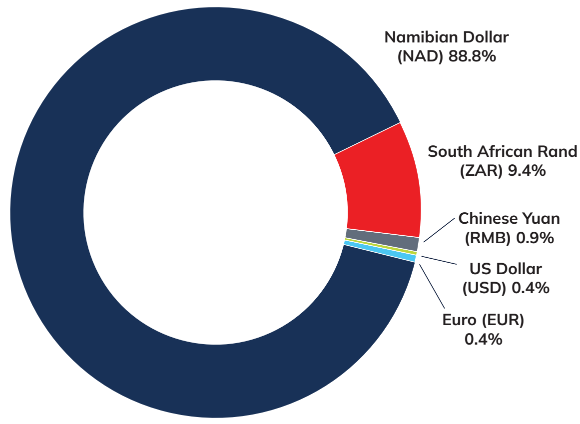
The structure of public debt in Namibia mitigates against external shocks and is mostly exposed to internal risk.

- **Currency Compositioin:** The debt portfolio is approximately 85% domestic and 15% foreign. Roughly 90% of the foreign debt tranche is denominated in ZAR. Therefore, 98% of total public debt is effectively insulated from hard-currency foreign exchange risk[37].
- **Instrument Profile:** Debt is divided between long-term fixed-rate and inflation-linked bonds (GC and GI bonds, 52.6% and 5.7% respectively) and short-term Treasury bills (27.0%). This high share of short-term Treasury bills (N$47.2 billion) exposes the government to rollover risk in a rising interest rate environment.

Debt Portfolio by Instrument Type (January 2026)



Debt Portfolio by Currency (January 2026)



Source: Minister of Finance Ericah Shafudah, Budget Speech (March 2026)

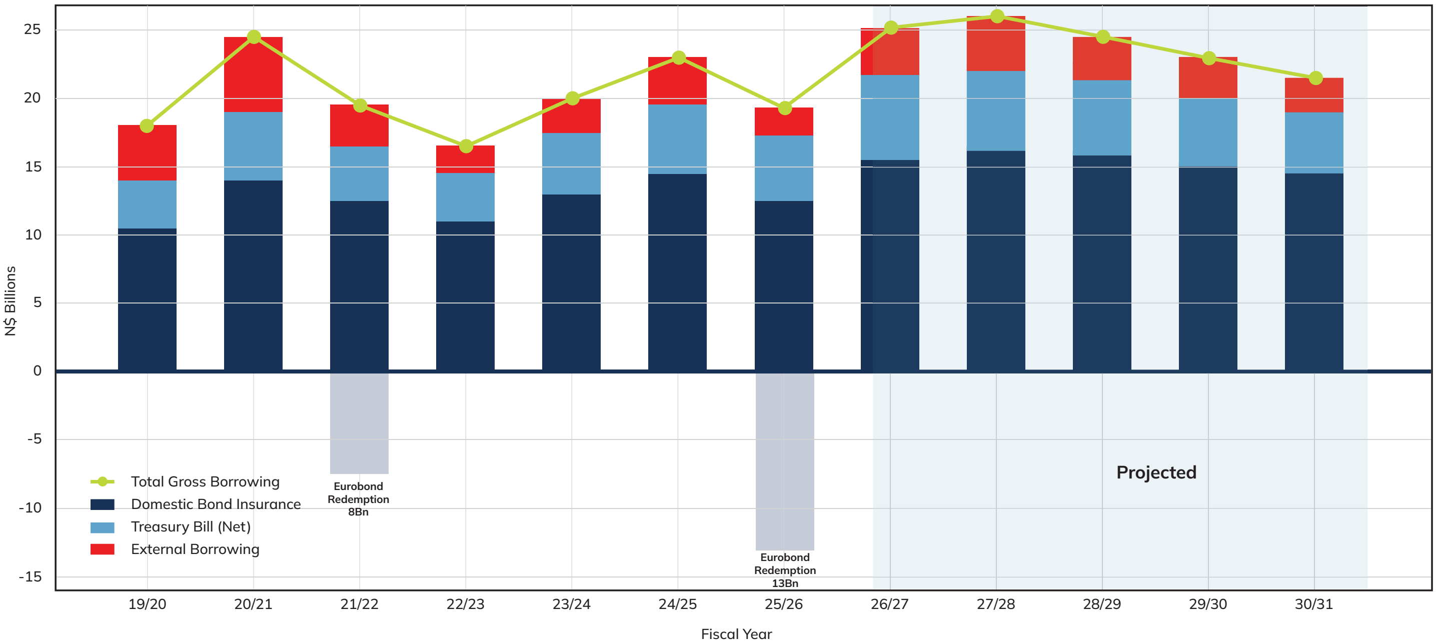
[37] CNBC Africa. (2025). Namibia shifts focus to local markets after $750 million Eurobond redemption. Available: Namibia shifts focus to local markets after $750 million Eurobond redemption | CNBC Africa. [Accessed: 17 July 2026].

Debt Service and Revenue Absorption

The cost of servicing Namibia's debt has become a significant fiscal constraint. Interest payments rose to N$14.3 billion for FY2025/26, consuming roughly 15% of total government revenue, per Finance Minister Ericah Shafudah's own account to Parliament. That burden is set to climb further, with interest payments projected to reach N$16.2 billion in FY2026/27, an increase driven by growing reliance on domestic, market-based (non-concessional) borrowing rather than cheaper external financing[38].

This growing interest bill is now approaching, and in some projections exceeding, Namibia's total development budget, directly reducing the fiscal space available for infrastructure, social spending, and other development priorities.

Namibia: Government Financing Sources & Eurobond Redemptions (FY2019/20-FY2030/31)



Sources: Ministry of Finance

Financing Sources and the Eurobond Redemption

In October 2025, Namibia successfully redeemed its USD 750 million Eurobond (approximately N$13.5 billion)[39]. This was the largest single debt maturity in the country's history. The redemption was funded through a combination of:

1. **The Sinking Fund:** Accumulations from fiscal surpluses and targeted allocations over the preceding five years.
2. **Domestic Debt Issuance:** Increased issuance of GC bonds and Treasury bills to local institutional investors.
3. **Domestic Banking Sector Borrowing:** A targeted commercial facility of R6.0 billion (N$6.0 billion) borrowed from the domestic banking sector, utilizing deep local liquidity to complete the redemption. By fully redeeming the Eurobond without issuing a replacement international bond, Namibia reduced its external debt-to-GDP ratio and eliminated the exchange rate risk associated with USD-denominated debt. However, this shifted the borrowing pressure to the domestic capital market, contributing to higher domestic bond yields and wider spreads over South African benchmarks.

[38] Ministry of Finance. (2025). FY2025/26 Mid-Year Budget Review Statement. Available: 2025-minister-of-finance-mid-year-budget-statement.pdf [Accessed: 17 July 2026].
[39] Bank of Namibia. (2026). Quarterly Bulletin. 35(1). Available: QB March 20 march 2026.indb. [Accessed: 17 July 2026].

7. Sovereign Bond Yield Curve and Geopolitical Risk Transmission

A critical dimension of Namibia's funding side is the pricing of its debt in the secondary capital market. Because the Namibian Dollar is pegged 1:1 to the South African Rand (ZAR) under the Common Monetary Area (CMA) agreement, Namibian government bonds (GC bonds) are priced as a spread over South African sovereign benchmark bonds.

The Current Yield Curve (As of 14 July 2026)

As of 14 July 2026, the Namibian sovereign bond yield curve is elevated and upward-sloping, reflecting tight global monetary conditions, domestic fiscal pressures, and geopolitical risk premiums.

Table 4A: Namibia Government Vanilla Bond (GC) Yields and Spreads (26 May 2026)

Benchmark Bond	Govt Bond	Maturity	Years to Maturity	Duration (Yrs)	Coupon (%)	SA Benchmark Yield	Last Tender Avg Spread (bp)	GC All-In Yield (%)
GT364	**GC27**	15-Jan-27	0.42	0.49	8.00%	7.42%	-17	7.25%
R2030	**GC28**	15-Oct-28	2.25	1.98	8.50%	7.74%	42	8.16%
R2030	**GC29**	15-Oct-29	3.25	2.73	9.00%	7.74%	69	8.43%
R2030	**GC30**	15-Jan-30	3.50	2.99	8.00%	7.74%	111	8.85%
R213	**GC32**	15-Apr-32	5.75	4.32	9.00%	7.89%	127	9.17%
R2035	**GC34**	15-Apr-34	7.75	5.22	10.25%	8.32%	137	9.69%
R209	**GC35**	15-Jul-35	9.00	5.90	9.50%	8.45%	162	10.08%
R2037	**GC37**	15-Jul-37	11.00	6.56	9.50%	8.53%	199	10.58%
R214	**GC40**	15-Oct-40	14.25	6.15	9.80%	9.93%	204	10.97%
R2044	**GC43**	15-Jul-43	17.00	7.76	10.00%	9.01%	202	11.03%
R2044	**GC45**	15-Jul-45	19.00	8.02	9.85%	9.01%	209	11.10%
R2048	**GC48**	15-Oct-48	22.25	8.05	10.00%	8.97%	228	11.25%
R2048	**GC50**	15-Jul-50	24.00	8.26	10.25%	8.97%	242	11.39%
R2053	**GC53**	15-Apr-53	26.75	8.24	11.00%	8.89%	254	11.44%

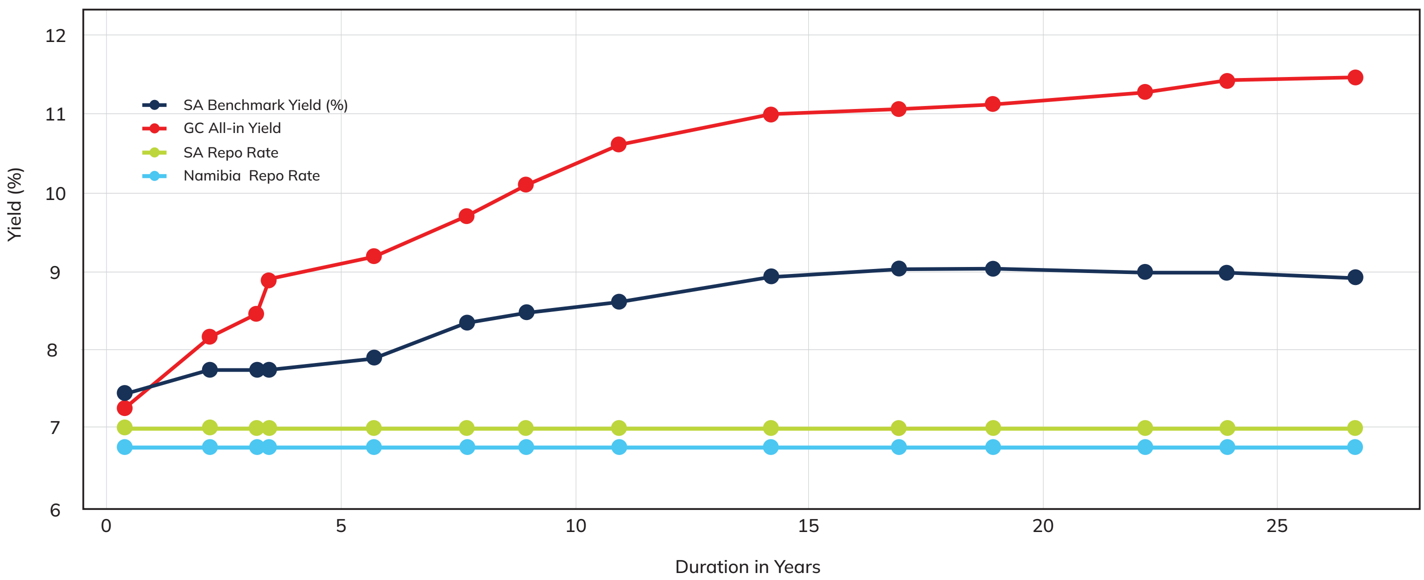
Source: Government Bond Summary (26 May 2026); Bank Windhoek Treasury Daily Report [21].

Table 4B: Namibia Government Inflation-Linked Bond (GI) Yields (26 May 2026)

Benchmark Bond	Govt Bond	Maturity	Years to Maturity	Duration (Yrs)	GI Coupon (%)	SA Benchmark Yield	Last Tender Real Yield	Inflation Yield	Indicative Yield
R210	**GI27**	15-Oct-27	1.39	1.33	4.00%	3.43%	4.54%	8.00%	4.54%
I2029	**GI29**	15-Jan-29	2.64	2.41	4.50%	3.60%	4.96%	8.53%	4.96%
I2031	**GI31**	15-Jul-31	5.14	4.38	5.10%	3.65%	5.25%	8.83%	5.25%
I2033	**GI33**	15-Apr-33	6.89	5.78	4.50%	4.09%	5.40%	8.94%	5.40%
I2033	**GI36**	15-Jul-36	10.14	7.66	4.80%	4.58%	5.89%	9.49%	5.89%
I2038	**GI41**	15-Jul-41	15.14	9.71	5.65%	4.14%	6.19%	9.81%	6.19%

Source: Bank of Namibia

Namibia vs South African Bond Yield



Source: Bond Tool / Bank Windhoek Treasury Daily Report

Yield Curve Analysis

Namibia's public debt portfolio is structured to mitigate external shocks, though it carries specific internal risks:

- **The Short End (0–3 Years):** Short-term yields are anchored by the Bank of Namibia's repo rate of 6.75% and South Africa's repo rate of 7.00%. The GC27 trades at 7.25%, 17bps below the South African benchmark. This reflects high liquidity and strong domestic demand for short-term paper.
- **The Belly of the Curve (3–10 Years):** Yields rise rapidly in the medium-term sector, with the GC28 yielding 8.16% (42bp spread) and the GC32 yielding 9.17% (127bp spread). This segment reflects rising domestic inflation expectations and the fiscal risk premium.
- **The Long End (10–30 Years):** The long end of the curve is less steep but highly elevated, peaking with the GC53 at 11.44% with a 254bp spread over the South African R2053 benchmark. This spread represents (1) a Liquidity Premium — the Namibian secondary bond market is thin, so investors demand a premium for long-dated paper that is difficult to liquidate; and (2) a Fiscal Risk Premium — reflecting long-term concerns regarding Namibia's debt sustainability, civil service rigidities, and structural dependency on SACU revenues.

8. Geopolitical Transmission: The Iran War and Bond Yield Scenarios

The dominant external risk to Namibia's funding costs in 2026 is the ongoing US-Iran military conflict in the Middle East. This geopolitical crisis impacts Namibia's domestic bond yields through a well-defined transmission mechanism.

The Geopolitical Transmission Mechanism

1. **Oil Supply Disruption:** Military actions and disruptions in the Strait of Hormuz have restricted Middle Eastern oil exports. The International Energy Agency estimates that global oil supply losses have now reached 12.8 million bpd since the start of the war [40].

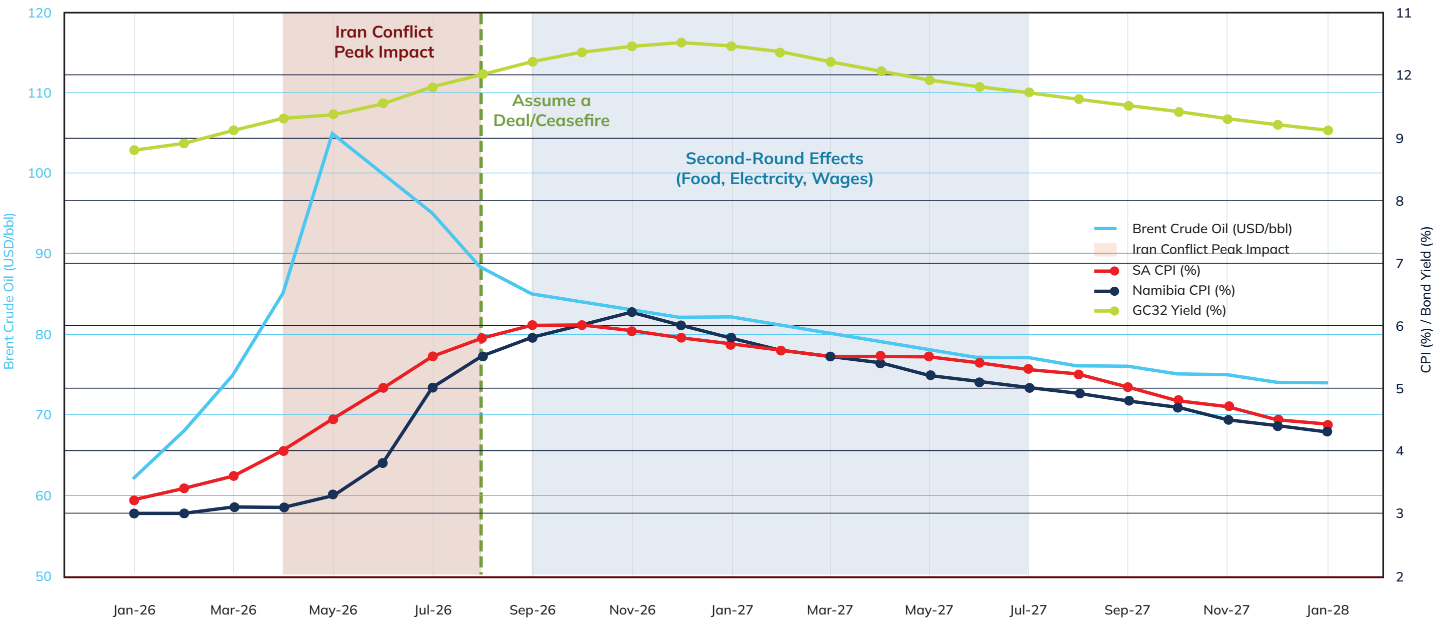
2. **Crude Oil Spike:** Consequently, Brent Crude prices surged by 68.4% YTD, rising from ~$62/bbl in January 2026 to USD 105.29/bbl on 26 May 2026. Subsequently, the oil price has fallen but uncertainty remains.

3. **Imported Inflation:** South Africa and Namibia are net fuel importers. The crude oil spike led to a sharp rise in domestic fuel prices. In South Africa, the Ministry of Mineral Resources and Energy announced massive fuel price increases for May 2026, with petrol surging by R3.27 per litre and diesel by R5.27 per litre, raising risks of severe near-term retail inflation pass-through. Inflation in both countries kicked up. In Namibia, inflation rose to 4.4% in June. In South Africa, inflation rose to 4.5% in May.

4. **Monetary Policy Tightening:** To prevent second-round inflationary effects, the South African Reserve Bank (SARB) has hiked its repo rate to 7.00%. To protect the currency peg and prevent capital flight, the Bank of Namibia (BoN) followed suit with a 25-basis point hike, increasing the repo rate to 6.75%. Market watchers are predicting at least another two hikes in 2026 if inflation does not abate.

5. **Yield Curve Shift:** Rising policy rates and inflation expectations cause secondary market bond yields to rise across the curve, increasing the government's borrowing costs for new debt issuance and refinancing.

Transmission Mechanism: Oil Shock > Inflation > Bond Yields (Base Case Scenario)
Iran Conflict Impact on Namibia's Borrowing Costs (Jan 2026-Jan 2028)



[40] International Energy Agency. (2026). Oil Market Report – May 2026. Paris: IEA. Available: iea.blob.core.windows.net/assets/2b89a47b-34a2-40e0-90ff-68f7ccd80715/-13MAY2026__OilMarketReport_publicversion.pdf. [Accessed 10 July 2026].

3-Year Forward Scenario Modelling

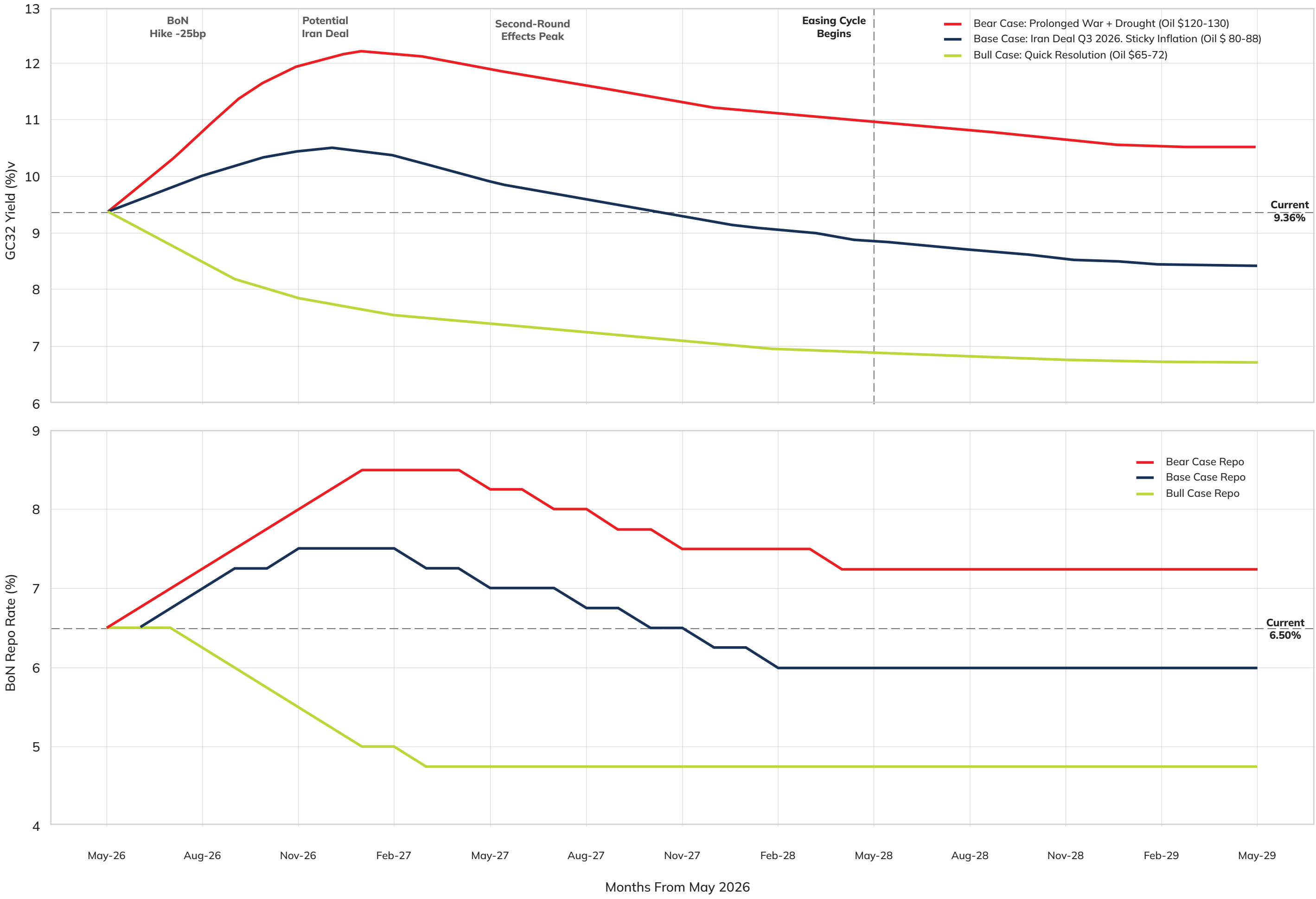
To evaluate how bond rates and spreads may play out, we model three distinct scenarios over the next three years, using the medium-term GC32 bond (current yield: 9.36%, spread: 127bp) as our benchmark. Please note that by May 2029, the GC32 will be a three-year bond.

Table 5: 3-Year Forward Yield and Spread Scenarios (GC32 Bond)

Scenario	Oil Price Path (Brent)	Nam Repo Rate Peak	GC32 Yield in 1 Year (May 2027)	GC32 Spread (SA vs Nam) in 1 Year (May 2027)	GC32 Yield in 3 Years (May 2029)	Fiscal Cost Impact (N$ Bn/Yr)
Bull Case (Quick Resolution)	Drops to USD 65–72/bbl	Repo holds at 6.50%, cuts to 4.75%	7.80%	85 bp	6.70%	N$11.2bn (Savings of N$4.6B)
Base Case (Iran Deal Q3 2026, sticky inflation)	Normalizes to USD 80-90/bbl	Repo peaks at 7.25%, cuts to 6.00%	10.50%	145 bp	8.40%	N$15.8bn (Increase of N$2.1B)
Bear Case (Prolonged War + Drought)	Surges to 90-110/bbl	Repo hikes to 8.50%	12.20%	200 bp	10.50%	N$21.2bn (Increase of N$7.5B)

Source: Scenario Modeling by Capricorn Asset Management based on IMF and Bank of Namibia Fiscal Strategy Models.

Namibia GC32 Bond Yield: 3-Year Scenario Projections (May 2026-May 2029)
Revised Base Case: Sticky Inflation from Second-Round Effects of Iran Oil Shock



Scenario Narratives

1. **The Base Case (Iran Deal by 2H26, But Sticky Second-Round Effects). Assumptions:** The US and Iran reach a diplomatic agreement by August 2026. However, second-round effects persist: food distribution costs rise with a 6–12-month lag, electricity tariffs increase to recover thermal generation costs, and unions demand inflation-linked wage adjustments. Inflation peaks at around 4.8% in 2026 and remains elevated in 2027 before gradually normalizing. Yield Path: The BoN hikes rates, reaching 7.25%. The GC32 yield rises to 10.20% by December 2026 and peaks at 10.50% by mid-2027, before declining to 8.40% by May 2029 as inflation normalizes. The Namibia-SA spread widens initially to 145bp before compressing to 105bp as mining revenues in the ramp up de-risk the fiscal position.

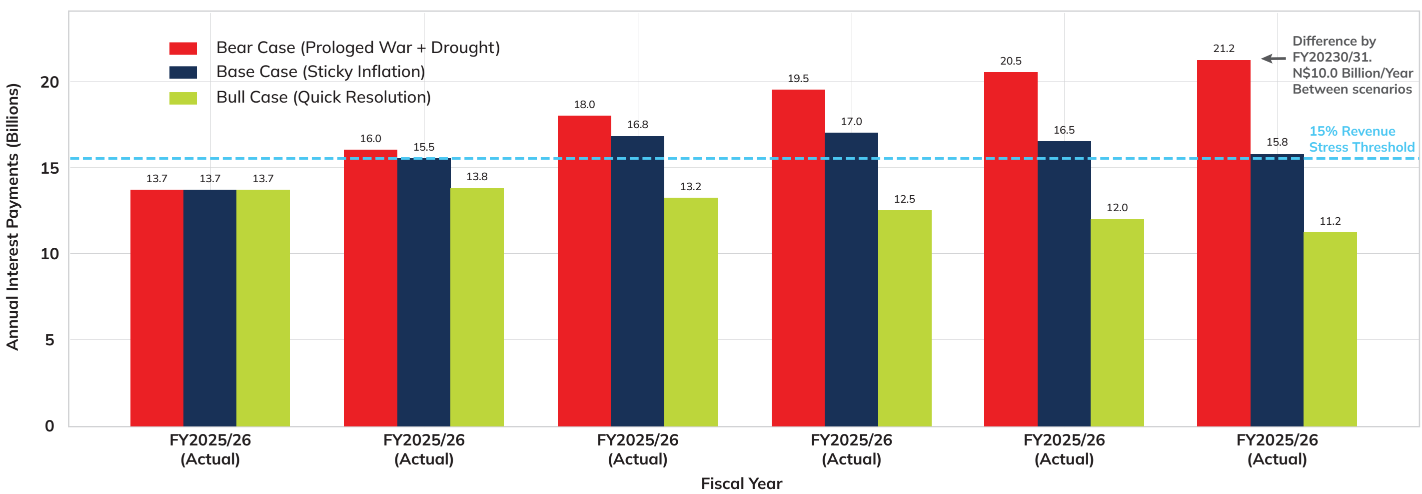
2. **The Bull Case (Quick Resolution & Market Normalization). Assumptions:** A comprehensive ceasefire is signed. Oil prices drop to USD 60-80/bbl. Global supply chains normalize rapidly, limiting second-round pass-through. Yield Path: No further interest rate hikes are required. Inflation declines to 4.2% by the end of 2026 and 3.7% by the end of 2027. The BoN holds at 6.75% and begins cutting from late 2026, reaching 4.75% by late 2027. The GC32 yield falls to 7.80% within 12 months and stabilizes at 6.70% by 2029. The Namibia-SA spread compresses to 85bp as country risk premiums decline and the mining revenue boom de-risks the sovereign.

3. **The Bear Case (Prolonged Conflict, Escalation & Drought). Assumptions:** The conflict escalates, leading to prolonged closures of Middle Eastern ports. Brent crude surges to above USD 90/bbl and remains elevated for over 12 months. Reinstatement of the general fuel levy in mid-2026 compounds domestic price pressures. An El Niño-driven drought in 2027 pushes food inflation to double digits, creating a dual supply shock. Yield Path: South African and Namibian inflation spikes to above 6% in 2027. The SARB and BoN are forced to hike aggressively, with the BoN repo rate peaking at 8.50% by mid-2027. The GC32 yield surges to 12.20% by mid-2027 and remains elevated at 10.50% by May 2029. The Namibia-SA spread widens to 200bp as investors pull back and local debt service costs spiral.

Fiscal Implications of the Scenarios

The difference between these scenarios represents a major fiscal impact for the Namibian government. Under the Bear Case, the government's annual interest bill is projected to rise to N$21.2 billion by FY2030/31, consuming 19.5% of total revenue and severely crowding out essential social and development spending. This scenario would push the debt-to-GDP ratio back above 68%, effectively reversing all consolidation gains. Under the Bull Case, annual interest costs decline to N$11.2 billion, freeing up N$10.0 billion per year in fiscal space to fund infrastructure development and social programs.

Namibia: Projected Annual Interest Costs Under Different Geopolitical Scenarios



Impact of Iran Conflict on Government Borrowing Costs (FY2025/26-FY2030/31)

9. Mining during Ramp-Up (2026-2030)

Despite immediate fiscal and borrowing cost challenges, the medium-term outlook for Namibia's mining sector is positive, driven by structural shifts in global energy markets.

Uranium: Namibia's Green Energy Boom

Namibia is currently the world's third-largest producer of uranium oxide[41]. With global demand for nuclear fuel rising as countries seek low-carbon baseload electricity, Namibia is positioned to expand its market share.

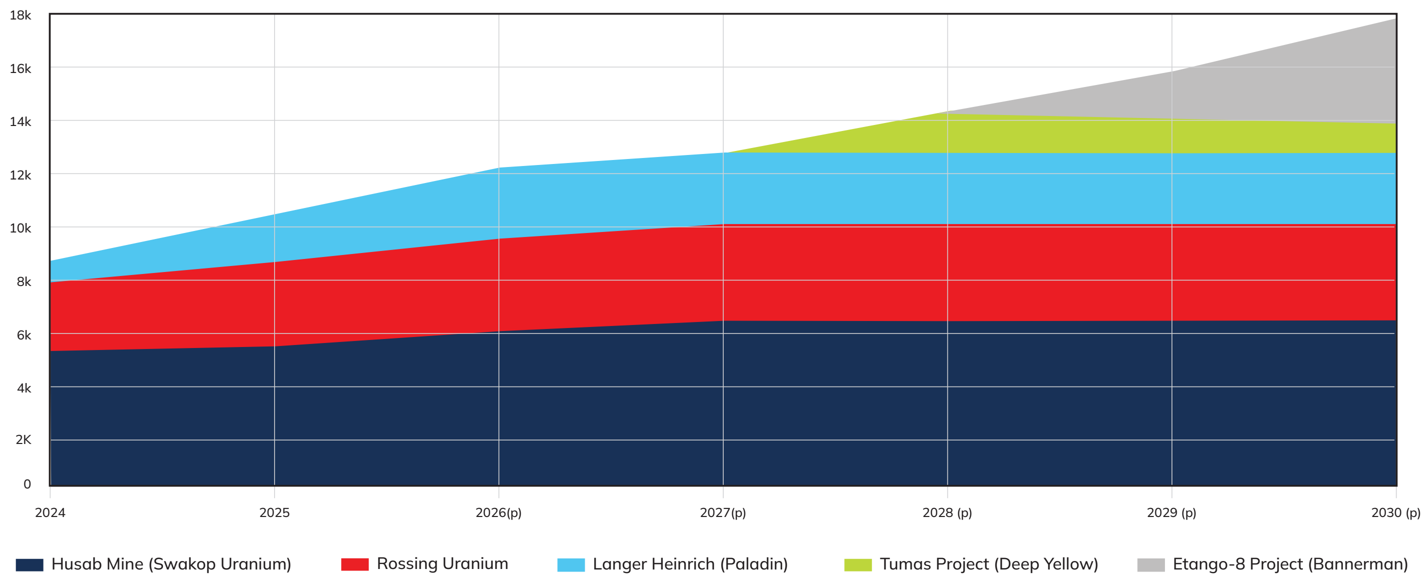
Namibia is home to the Husab Uranium Mine, which is the second largest uranium mine in the world[42]. For now, we assume that production from the current mines will remain at 2027 levels, therefore we only take into account the contributions of new projects.

Table 6: Projected Uranium Production by Mine (Tonnes U, 2024–2030)

Mine / Project	2024	2025	2026 (p)	2027 (p)	2028 (p)	2029 (p)	2030 (p)
Husab Mine (Swakop Uranium)	5,232	5,428	5,971*	6,389 **	6,389	6,389	6,389
Rössing Uranium	2,600	3,185	3,504 *	3,644 ***	3,644	3,644	3,644
Langer Heinrich (Paladin)	1,200	1,800	2,200	2,400	2,400	2,400	2,400
Tumas Project (Deep Yellow)	—	—	—	—	1,600 [44]	1,600	1,600t
Etango-8 Project (Bannerman)	—	—	—	—	—	1,500	3,500
Total Production	8,647	10,445	12,175	12,733	14,333	15,833	17,833

*Source: Chamber of Mines of Namibia. Projections by Capricorn Asset Management. * Assuming 10% increase yoy. ** Assuming 7% increase yoy. *** Assuming 4% increase yoy.*

Namibia: Uranium Production by Mine (2008-2030)



Sources: World Nuclear Association; Paladin Energy; Deep Yellow; Bannerman; Author Projections

[41] World Nuclear Association. (2026). Uranium Production by Country. Available: Uranium Production by Country - World Nuclear Association. [Accessed: 10 July 2026].
[42] Chamber of Mines of Namibia. (2025). 2025 Annual Review. Available: Annual Reviews – Chamber of mines. [Accessed: 10 July 2026].
[43] Mine is targeting 6,000,000 pounds of uranium production by 2026. Source: The Extractor Magazine. (2025). Langer Heinrich's remarkable return. Extractor Magazine 3(50). Available: Langer Heinrich's remarkable return – The Extractor Magazine. [Accessed: 10 July 2026].
[44] Mine is expected to be able to produce 3,600,000 pounds of uranium per year. Source: Deep Yellow Limited. (2023). Strong Results from Tumas Definitive Feasibility Study. Available: StrongResultsFromTumasDefinitiveFeasibilityStudy02Feb23.pdf. [Accessed: 10 July 2026].

Scenario Narratives

1. **The Langer Heinrich Restart:** Paladin Energy's Langer Heinrich mine, which was placed on care and maintenance in 2018 due to depressed prices, restarted commercial operations in early 2024[45]. It is ramping up to its full capacity of 2,700 tonnes U per annum, contributing to the 20.8% sector growth in 2025.
2. **The Tumas Project (Deep Yellow):** Located in the Erongo region, Tumas has a projected mine life of 30 years, with a total uranium deposit of over 60,000 tonnes of U_3O_8 [46].
3. **The Etango-8 Project (Bannerman Energy):** Etango is one of the world's largest undeveloped uranium deposits, with approximately 90,000 tonnes of uranium [47].

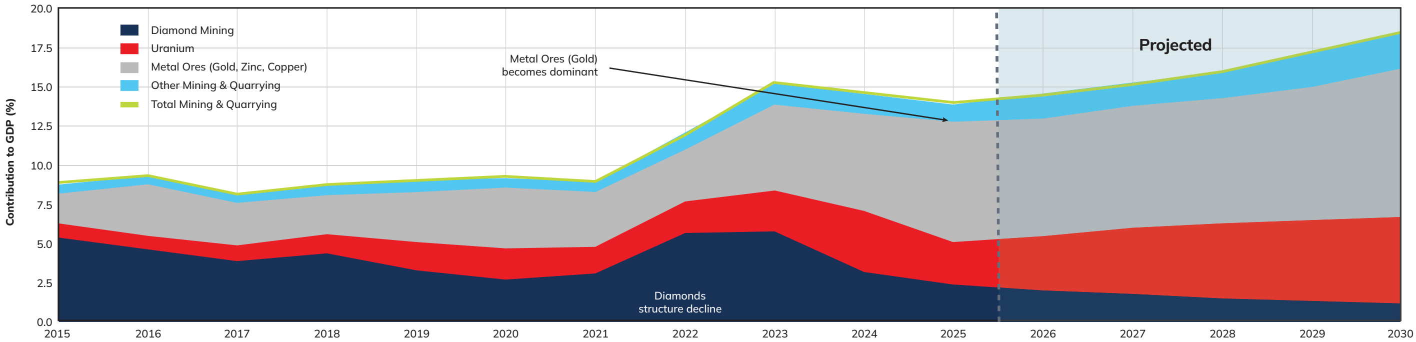
If these projects proceed as planned, Namibia's total uranium output will more than double from 8,647 tonnes in 2024 to nearly 18,000 tonnes by 2030, positioning the country to overtake Canada as the world's second-largest uranium producer.

Gold: Record High Prices and Capacity Expansion

Gold mining has emerged as a vital fiscal buffer.

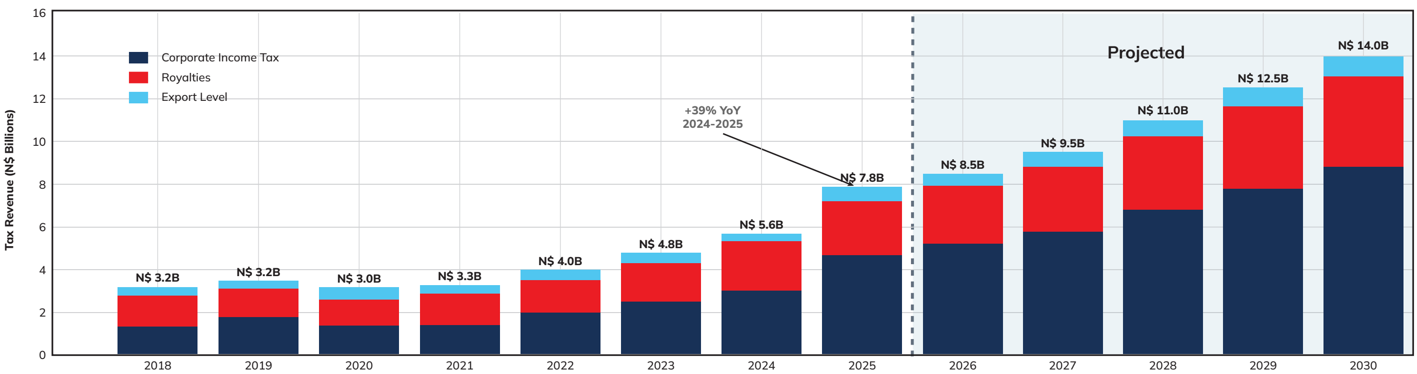
- **B2Gold's Otjikoto Mine:** Although Otjikoto is transitioning from open-pit to underground mining, high-grade underground ore and record-high global gold prices (exceeding USD 4,500/oz in May 2026) have generated strong corporate tax revenues [48].
- **Osino Resources' Twin Hills Gold Project:** Located near Karibib, Twin Hills is an open-pit project with a projected output of 162,000 ounces of gold per annum . Following its acquisition by Yintai Gold in 2024, construction is underway, with commercial production scheduled to begin by 2027, adding a third major gold producer to the economy [50].

Namibia: Mining Sub-Sector Contributions to GDP (2015-2030)



Chamber of Mines; CAM projections only

Namibia: Mining Sector Tax Contributions (2018-2030)



Chamber of Mines; CAM projections only

[45] Chamber of Mines of Namibia. (2025). 2025 Annual Review. Available: Annual Reviews – Chamber of mines. [Accessed: 10 July 2026].
[46] Deep Yellow Limited. (n.d.). Tumas Project. Available: Tumas Project – Deep Yellow Limited. [Accessed: 10 July 2026].
[47] Bannerman Energy. (n.d.). Etango Project. Available: Etango Project - Bannerman Energy. [Accessed: 10 July 2026].
[49] Osino Resources. (2026). Twin Hills Gold Project. Available: Twin Hills Gold Project – Osino Resources. [Accessed: 14 July 2026].
[48 / 50] Chamber of Mines of Namibia. (2025). 2025 Annual Review. Available: Annual Reviews – Chamber of mines. [Accessed: 10 July 2026].

10. The Frontier Outlook: Oil, Gas, and Green Hydrogen (2030 and Beyond)

While mining remains the immediate driver of growth, Namibia is on the cusp of a potential economic transformation driven by deepwater oil discoveries and green hydrogen projects.

Offshore Oil Discoveries: The Orange Basin

Since 2022, global oil majors Shell, TotalEnergies, and Galp Energia have made a series of landmark light oil discoveries in the Orange Basin, offshore southern Namibia, driving a massive exploration boom. The basin has attracted several other prominent international players:

- **Venus-1X (TotalEnergies):** Estimated to hold over 3 billion barrels of oil equivalent, making it the largest deepwater discovery in Sub-Saharan African history.
- **Graff-1 & Jonker-1X (Shell):** Estimated to hold up to 2 billion barrels.
- **Mopane-1X** (Galp Energia): Discovered in early 2024, with flow tests indicating a reservoir containing up to 10 billion barrels of oil in place.
- **Kapana-1X** (Chevron): Chevron drilled the Kapana-1X exploration well in the Orange Basin; however, this specific well failed to make commercial oil discoveries, highlighting the persistent geological risks of deepwater exploration.
- **Rhino Resources:** Rhino Resources holds a key position in the basin, owning a 42.5% operated interest in PEL 85, located adjacent to Galp's prolific Mopane discoveries, positioning it as a highly watched explorer in upcoming drilling campaigns.

A Final Investment Decision (FID) for TotalEnergies is expected later this year. If these oil discoveries are economically feasible, it will represent a complete transformation of the Namibian economy. The Namibian economy is approximately $17 billion. These oil discoveries have the potential to add an additional $10 billion– almost doubling the size of the economy.

Green Hydrogen: The Tsau //Khaeb National Park

Namibia is pursuing green hydrogen because it offers a rare opportunity to combine the country's world-class wind and solar resources with a new source of export earnings, industrialisation and job creation. Policymakers increasingly view green hydrogen not simply as an energy project, but as a platform for broader green industrialisation, including green ammonia, synthetic fuels, green iron and steel, and mineral beneficiation. A large-scale hydrogen industry could generate significant revenue for the government, while creating employment opportunities and attracting foreign investment into new sectors. More recently, the narrative has evolved beyond hydrogen exports towards building domestic value chains and leveraging Namibia's renewable energy advantage to create manufacturing and processing industries rather than exporting raw commodities alone.

Progress has been meaningful, although the sector remains in an early development phase. The flagship Hyphen Hydrogen Energy project in the Lüderitz/||Kharas region remains the anchor investment, with government actively supporting infrastructure planning, local content initiatives and port development around Angra Point. At the same time, projects such as HyIron Oshivela have demonstrated that green industrialisation can move beyond hydrogen production into downstream manufacturing, with Namibia inaugurating one of the world's first green iron plants. Other initiatives including Cleanergy Solutions Namibia and the Daures Green Hydrogen Village continue to advance. Progress is also being made in downstream industrial applications. HyIron plans to begin construction of a major expansion at its Oshivela green iron facility in 2027, increasing production more than tenfold to over 200,000 tonnes per year[51].

However, major challenges remain. Namibia still needs to develop critical infrastructure such as ports, transmission lines, desalination facilities and shared industrial infrastructure, while securing long-term export markets and attracting the large volumes of capital required to commercialise projects. Skills shortages, environmental approvals, community support and rising competition from other hydrogen-exporting countries also remain significant risks.

[51] Mining & Energy Namibia. (2025). HyIron targets early 2027 construction start for major green iron expansion. Available: HyIron targets early 2027 construction start for major green. [Accessed: 13 July 2026].

11. Foreign Direct Investment (FDI) Flows and Investment Ecosystem (2008–2025)

Foreign Direct Investment (FDI) plays a pivotal role in Namibia's macroeconomic development, acting as a critical funding source for the country's large current account deficits and a primary catalyst for industrial capital formation. According to the joint inaugural Namibia Foreign Direct Investment Report published by the Bank of Namibia and the Namibia Investment Promotion and Development Board (NIPDB) in May 2025, Namibia's FDI trajectory has evolved through several distinct structural epochs [52].

Table 7: Verified Namibia Inward FDI Net Inflows (2008–2025)

The table below shows net FDI inflows in absolute terms (current USD millions) and as a share of GDP over the 2008–2025 period.

Year	FDI Net Inflows (USD Millions)	FDI Net Inflows (% of GDP)	Macroeconomic Context / Structural Driver
2008	USD 750.4	8.72%	Peak of pre-GFC commodity boom; heavy equity investment in manufacturing and Skorpion Zinc
2009	USD 829.1	9.27%	Resilient post-GFC inflows; expansion of uranium assets (Rössing and Husab early stages)
2010	USD 287.5	2.52%	Cyclical dip post-GFC; delays in mining infrastructure capital deployment
2011	USD 803.6	6.42%	Resurgence in commodity prices; greenfield investments in gold and uranium
2012	USD 1,041.6	7.99%	Strong domestic economic growth (above 5%); high retail and financial sector FDI
2013	USD 777.1	6.45%	Continued mining capital expenditure; Husab Mine construction phase begins
2014	USD 445.6	3.58%	Shift toward local funding; moderating global commodity demand
2015	USD 838.9	7.40%	Peak of the infrastructure and mining boom; Husab Mine construction nears completion
2016	USD 358.7	3.35%	Start of structural stagnation; severe regional drought begins to impact investment
2017	USD 280.5	2.18%	Low commodity prices; mining assets placed on care and maintenance (Langer Heinrich)
2018	USD 234.4	1.71%	Tightening domestic liquidity; regulatory uncertainty in the investment framework
2019	USD -176.5	-1.41%	Net FDI Outflow; corporate debt repayments and capital repatriation by parent mining companies
2020	USD -150.2	-1.42%	Net FDI Outflow; severe COVID-19 demand shock, border closures, and project delays
2021	USD 840.3	6.78%	Rebound phase; initial offshore exploration drilling in the Orange Basin begins
2022	USD 1,056.0	8.40%	Major deepwater discoveries (Venus and Graff); surge in appraisal capital deployment
2023	USD 2,294.4	18.49%	Historic high; aggressive multi-rig appraisal campaigns by TotalEnergies and Shell
2024	USD 1,934.9	14.47%	Sustained exploration boom; Galp's Mopane discovery and Chevron/Rhino entry into Orange Basin
2025	USD 1,496.3	9.00%	Continued oil exploration and investment in mining, although slower than in 2024.

Sources: World Bank Balance of Payments Database

[52] Bank of Namibia. (2025). Foreign Direct Investment Report. Available: 08e073e8-8e03-40c2-9da4-e8d8d7d4a193.pdf. [Accessed 13 July 2026].

Analysis of FDI Time Periods

1. **The Post-Independence and EPZ Era (1990–2008):** Following independence in 1990, Namibia enacted the Foreign Investment Act of 1990, establishing a robust legal framework that guaranteed capital and profit repatriation. In 1996, the government introduced the Export Processing Zone (EPZ) regime, offering tax incentives for export-oriented manufacturers. FDI during this time period was primarily directed toward manufacturing, diamond processing, and the Skorpion Zinc Refinery [53].

2. **The Mining Mega-Project Era (2009–2018):** This decade was characterized by massive greenfield mining investments. Cumulative net FDI inflows reached USD$5.89 billion, driven by the construction of mega-mines such as Swakop Uranium's Husab Mine (a USD 5 billion project representing one of the largest greenfield investments in Africa) and B2Gold's Otjikoto Mine. Strong macroeconomic performance also attracted FDI into financial services, wholesale, and retail trade [54].

3. **The Repatriation and Pandemic Trough (2019–2020):** For the first time since independence, Namibia recorded net FDI outflows, averaging -1.4% of GDP. This was driven by parent company debt repayments by local mining entities and the severe demand shocks of the COVID-19 pandemic, which halted international capital deployment [55].

4. **The Hydrocarbon and Orange Basin Boom (2021–Present):** The discovery of massive deepwater oil and gas deposits in the Orange Basin triggered an unprecedented investment super-cycle. Cumulative net FDI inflows from 2021 to 2024 exceeded USD$6.1 billion. In 2023, net FDI inflows peaked at 18.49% of GDP (USD 2.29 billion), driven by aggressive appraisal drilling and multi-rig campaigns. This hydrocarbon-led boom has established Namibia as a global frontier exploration hotspot, cushioning the current account deficit and significantly boosting foreign exchange reserves [56].

Greenfield FDI Performance and Institutional Facilitation

To evaluate Namibia's competitive position, the NIPDB notes that Namibia has emerged as a Top 5 performer in the African Greenfield FDI Performance Index[57]. This index measures the value of greenfield projects announced relative to the size of the country's GDP, indicating that Namibia is punching far above its weight in attracting new "from-scratch" international capital. While hydrocarbon exploration in the Orange Basin represents the bulk of recent inflows, the NIPDB has actively facilitated diversification:

- **Renewable Energy and Green Hydrogen:** Attracting strategic capital to reduce reliance on imported electricity and establish utility-scale solar, wind, and green ammonia projects.
- **Socio-Economic Impact:** Over 62,000 direct and indirect jobs have been supported or created through FDI-backed projects since 2021[58].

To prevent "Dutch Disease" and ensure that these capital flows translate into sustainable development, the Bank of Namibia emphasizes that the country must transition from capital-intensive resource extraction to high-quality, labour-intensive investments in services, agriculture, and manufacturing [59].

[53-59] Bank of Namibia. (2025). Foreign Direct Investment Report. Available: 08e073e8-8e03-40c2-9da4-e8d8d7d4a193.pdf. [Accessed 13 July 2026].

12. Emerging Sectoral Diversifiers: Tourism and Fishing (2008-2030)

While uranium, gold, and frontier oil/gas dominate Namibia's economic headlines, the long-term structural resilience of the economy depends heavily on other key sectors. This section assesses the historical performance, current developments, and 5-year outlook for tourism and fishing over the full 2008–2030 period.

Tourism: The Services Sector Growth Engine

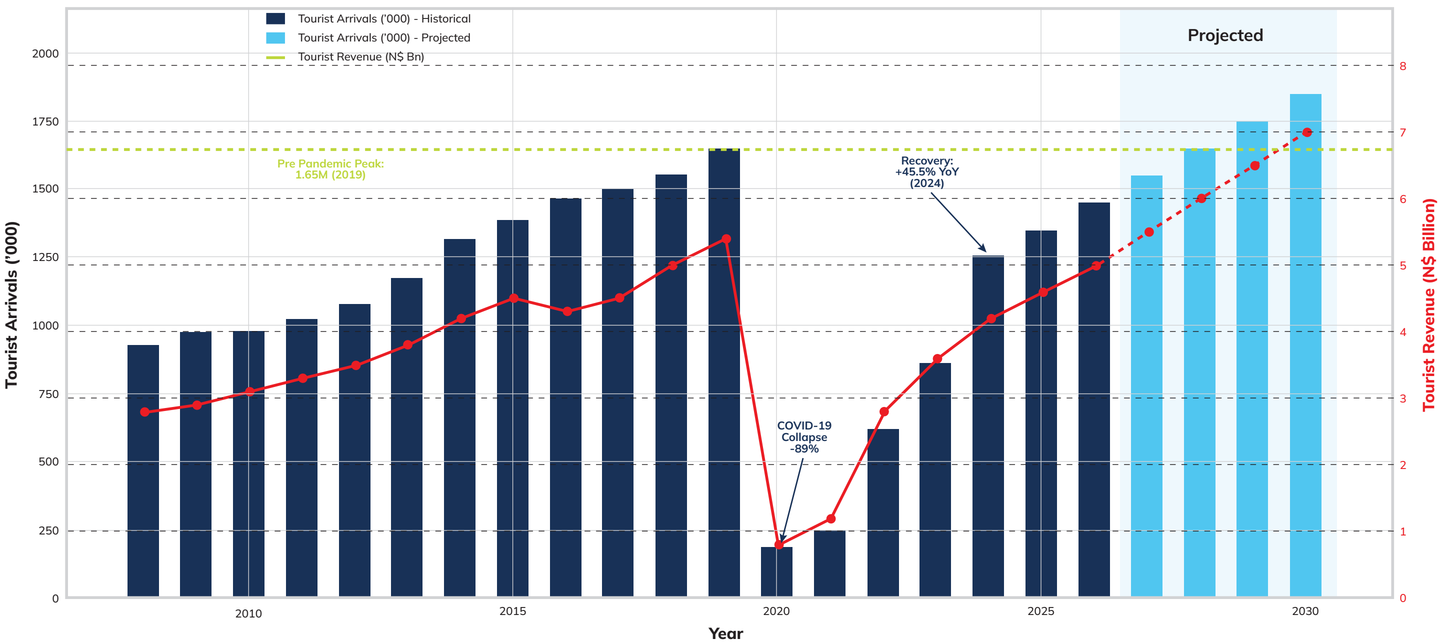
Tourism is Namibia's most powerful tool for broad-based economic development and employment creation. In 2008, Namibia recorded 931,000 international tourist arrivals, generating approximately N$2.8 billion in revenue. The sector grew steadily over the next decade, peaking in 2019 at 1.65 million arrivals and N$5.4 billion in revenue, driven by Namibia's world-class reputation for luxury eco-tourism, desert landscapes, and community-based conservation.

The COVID-19 pandemic dealt a catastrophic blow to the sector. In 2020, international arrivals collapsed by 89% to just 169,000 [60], forcing widespread retrenchments and lodge closures across the country. However, the recovery has been exceptionally robust:

- **2023:** International arrivals recovered to 864,000[61].
- **2024:** International arrivals surged by 45.5% year-on-year to 1,257,093, marking a 79% recovery toward pre-pandemic peaks[62].
- **2025 (Data not yet released):** Arrivals are estimated to be 1,350,000 (reflecting a 7.3% growth in arrivals)[63].

To support this recovery, airline connectivity has expanded significantly, with FlyNamibia partnering with Airlink, and direct flights from Europe (Discover Airlines) and East Africa (Ethiopian Airlines) increasing capacity. Unlike mining, tourism is labour-intensive and has a powerful multiplier effect, directly supporting rural communities, conservation efforts, and urban hospitality services.

Namibia: Tourism Arrivals & Revenue (2008-2030)



Sources: NTB Tourist Statistical Report (2024); The Namibian; UN Tourism; Author Projections

[60] Ministry of Environment, Forestry and Tourism. (2023). Tourist Statistical Report. Available: TOURIST STATISTICAL REPORT 2023.pdf. [Accessed: 13 July 2026].
[61] Ibid
[62] Ministry of Environment, Forestry and Tourism. (2025). Statement on the Occasion of the Launch of the Tourist Statistical Report 2024. Available: Tourism-Statistics-Report-launch-2024.pdf. [Accessed: 13 July 2026].
[63] The Brief. (2025). Namibia's tourism sector set to generate N$4.6 billion in 2025. Issue 898. Available: The+Brief_23+May+2025.pdf. [Accessed: 13 July 2026].

Fishing and the Blue Economy

The fishing sector (primarily hake, horse mackerel, and rock lobster) has historically been a cornerstone of Namibia's coastal economy and a major source of food security and blue economy employment. In 2008, fishing constituted 3.6% of Namibia's GDP[64]. However, the sector has experienced a long-term structural decline in its share of national output, falling to 2.6% of GDP in 2024 and 2.5% in 2025 [65].

This decline is driven by several severe challenges:

1. **Stock Depletion and TAC Reductions:** Due to changing ocean temperatures, low oxygen events, and historical overfishing, key commercial fish stocks have come under pressure. Consequently, the Ministry of Fisheries and Marine Resources (MFMR) reduced the Hake Total Allowable Catch (TAC) by 9% to 133,000 metric tonnes for the 2025/26 season (down from 146,000 MT in 2023).
2. **The Fishing Rights Review:** The government is currently reviewing 462 fishing rights that are up for renewal. This has created significant regulatory uncertainty, delaying capital investment in fleet modernization and processing facilities by local operators.
3. **Minimal Fiscal Contribution:** Despite generating over N$13.0 billion in export revenue in 2025, the fishing sector's direct contribution to government coffers remains exceptionally low. In FY2025/26, the government collected only N$300 million in fishing levies and quotas — compared to the mining sector's N$7.8 billion tax contribution. This highlights a critical policy gap in Namibia's resource rent capture.
4. **Illegal, Unreported, and Unregulated (IUU) Fishing:** Foreign industrial trawlers operating just outside Namibia's Exclusive Economic Zone (EEZ) continue to deplete transboundary stocks, undermining local conservation efforts.

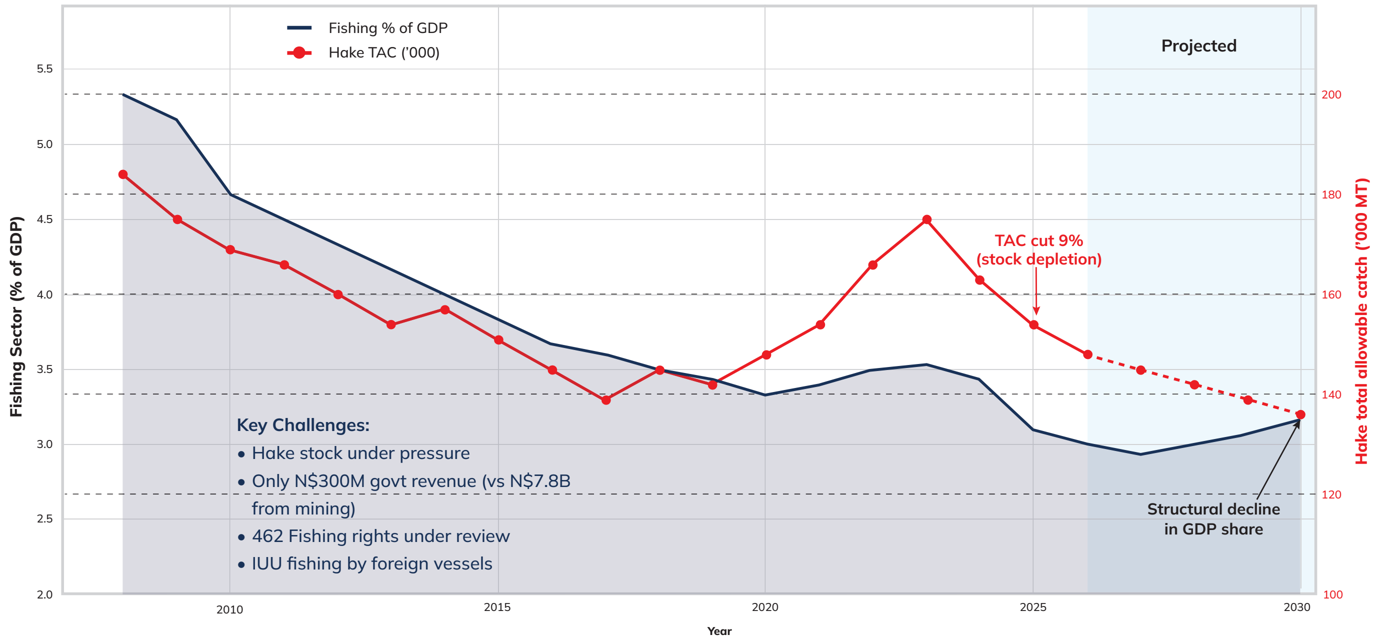
In response to these challenges, the government has instituted the Blue Economy Initiative which aims to expand aquaculture production, promote value addition and create new export industries alongside capture fisheries. This forms part of a broader strategy to diversify the economy through ocean-based sectors such as fisheries, marine transport, coastal tourism, marine mining and renewable energy[66].

The most significant project currently in development is the African Aquaculture Company's Atlantic salmon farm off the coast of Lüderitz. The project has been licensed to produce up to 51,000 tonnes of salmon annually, making it one of the largest aquaculture investments ever proposed in Namibia. The company plans to undertake its first smolt stocking in 2026, with the first harvest expected in 2027. If successful, the project would substantially increase Namibia's aquaculture output, support local fish processing and cold-chain industries, and create opportunities for skills development and employment in the southern regions[67].

Beyond salmon farming, policymakers view the Blue Economy as a means of increasing domestic beneficiation of marine resources rather than relying primarily on the export of unprocessed products. The initiative therefore focuses not only on expanding production volumes, but also on developing processing capacity, strengthening coastal infrastructure and attracting investment into high-value marine industries. However, achieving these targets will depend on overcoming challenges related to environmental management, regulatory capacity, project financing, feed supply chains and ensuring that the economic benefits translate into local employment, ownership and food-security gains.

[64-65] Namibia Statistics Agency. (2026). GDP Publications. Available: PUBLICATIONS - Namibia Statistics Agency [Accessed: 14 July 2026].
[66] Environmental Investment Fund of Namibia. (n.d.) Namibia to implement blue economy policy. Available: Namibia to implement blue economy policy. [Accessed: 14 July 2026].
[67] Fletcher, R. (2025). Could Namibia be salmon farming's new frontier? Available: Could Namibia be salmon farming's new frontier? | The Fish Site. [Accessed: 14 July 2026].

Namibia: Fishing Sector GDP Contribution & Hake TAC (2008-2030)



Sources: NSA National Accounts; MFMR; NDP6; Author Projections

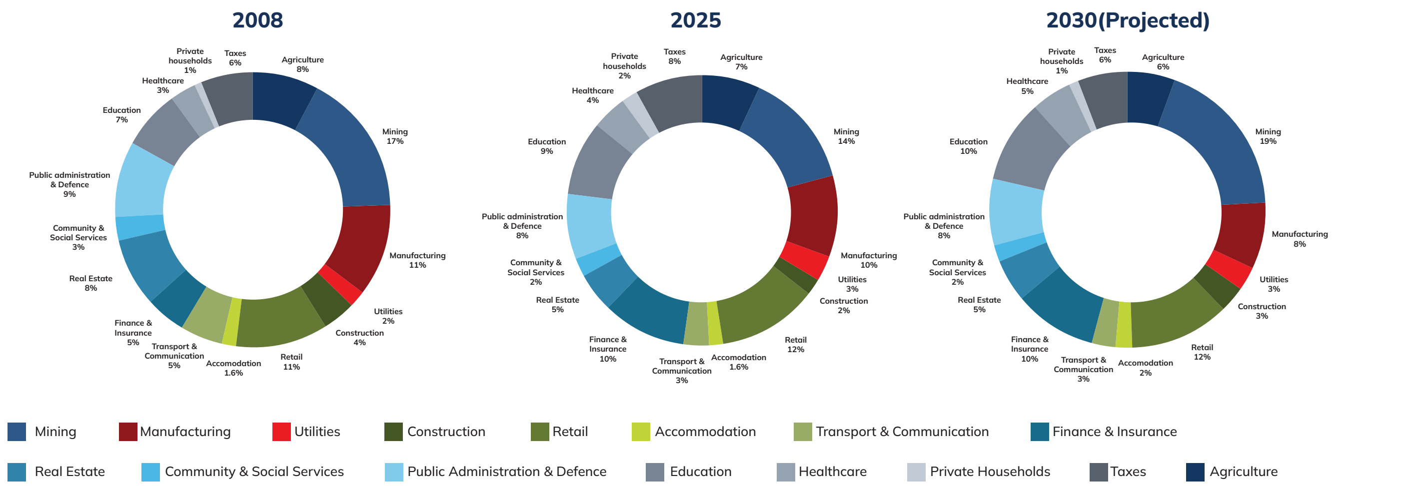
Sectoral Diversification: The Structural Shift (2008 vs. 2025 vs. 2030)

To visualize Namibia's structural transformation, the chart below compares the GDP sectoral composition across three distinct eras:

- **2008 (The Diamond Boom Era):** Characterized by high diamond mining dominance (mining at 17.2% of GDP) and a substantial agricultural/fishing sector (7.6% of GDP).
- **2025 (The Uranium & Gold Resurgence):** Showing a more balanced mining sector (14.0% of GDP) but a smaller agricultural/fishing footprint (7.0%) and a growing tourism sector (1.6% hotels/restaurants).
- **2030 (The Projected Resource & Services Boom):** Projecting a return to high mining dominance (18.5% of GDP) driven by copper, uranium, and gold expansions, alongside a maturing tourism sector and a structurally smaller fishing and agricultural sector (6%).

This analysis demonstrates that while Namibia is successfully diversifying its services sector through tourism, its overall macroeconomic health remains heavily anchored in its mineral wealth. To mitigate the risks of "Dutch Disease" as offshore oil and copper come online, the government must utilize resource windfalls to fund non-mining infrastructure, education, and services.

Namibia: Structural Transformation of the Economy



Source: NSA Annual National Accounts 2025 + Author Projections

13. Financial Market Dynamics

For Namibian retail and institutional investors holding assets in unit trusts, money market funds, and government bonds, the current macroeconomic and geopolitical environment presents a unique set of opportunities and challenges.

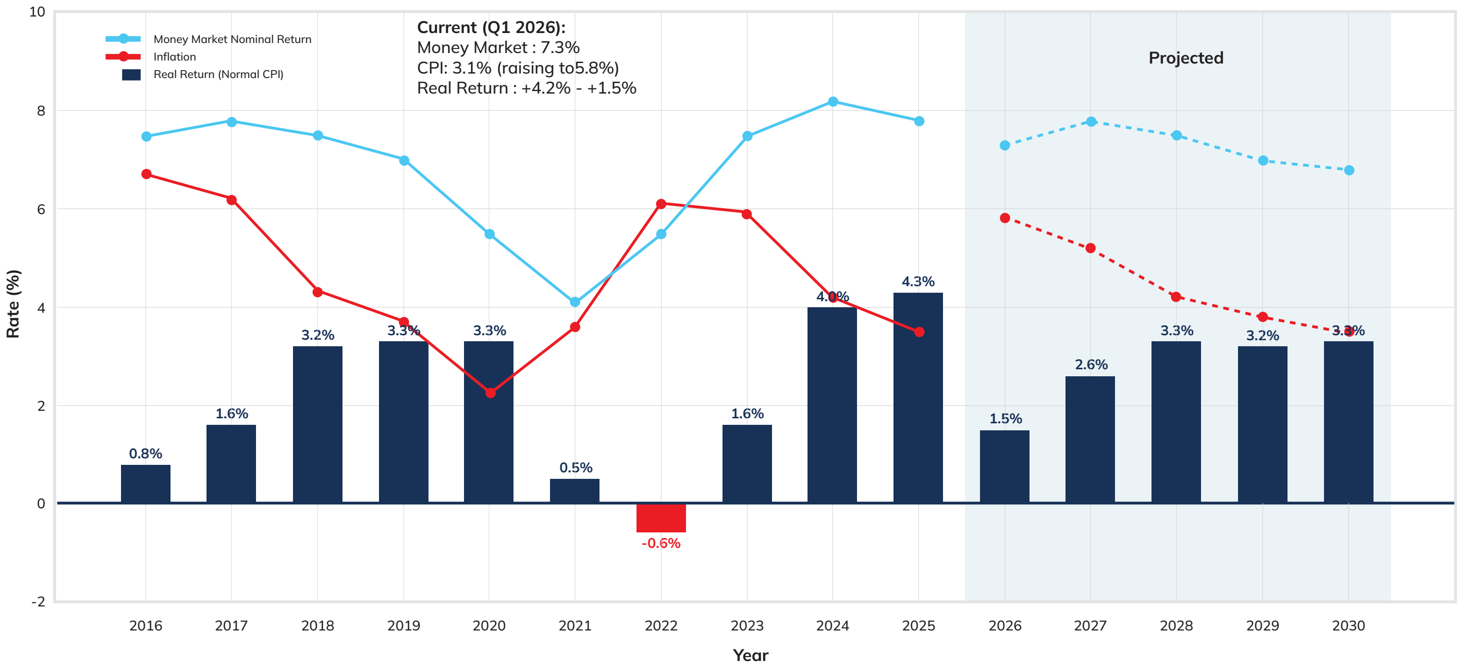
Money Market and Cash Returns: Beating Inflation Today, Compressing Tomorrow

Namibian money market funds are currently offering some of the most attractive nominal yields in over a decade, driven by the tight monetary policy stance maintained by the Bank of Namibia (BoN) and the South African Reserve Bank (SARB). As of July 2026, the BoN's repo rate stands at 6.75% (with the prime rate at 10.25%), while South Africa's repo rate is at 7.00% (prime rate at 10.50%).

This high-rate environment has pushed nominal annualized yields on premier domestic cash instruments, such as the Capricorn Investment Fund (fund size N$14 billion), to an annualized 7.4% (net yield of ~6.8% after a Total Expense Ratio of 0.60%). With June 2026 CPI standing 4.4%, money market investors receive a real (inflation-adjusted) return of +2.9%.

The war in Iran has caused real yields to compress, and this is projected to continue over the next 12 months. As the global oil price shock from the Iran conflict feeds through to domestic fuel and food prices, headline CPI is projected to spike to 4.8% by August 2026 and average 3.9% for the full calendar year. While the BoN is expected to hike the repo rate by an additional 50bps to 7.25% by mid-2027, money market yields will lag the inflation spike. Consequently, cash-heavy investors will experience a temporary reduction in purchasing power, though nominal yields will remain highly defensive.

Namibia: Money Market Real Returns vs Inflation (2016-2030)
Source: Old Mutual Namibia Money Fund; NSA; Author Projections



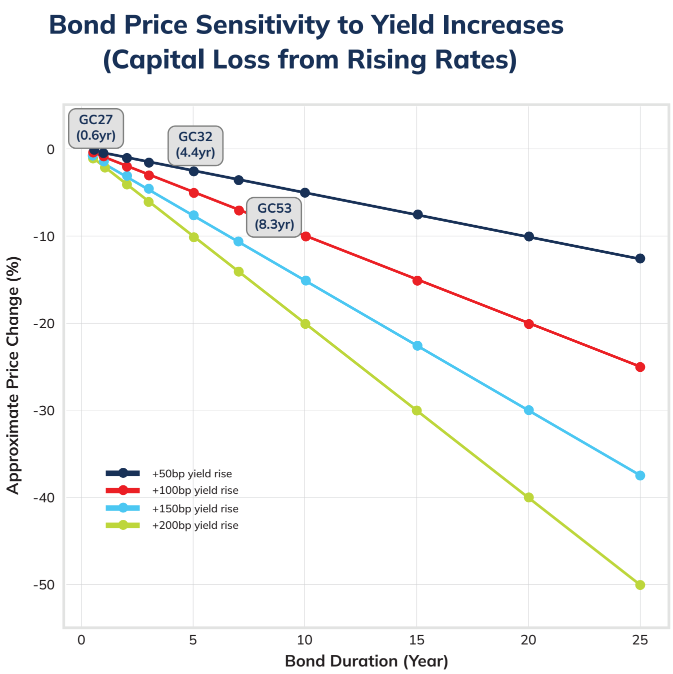
Bond Fund Duration: Navigating the Carry vs. Capital Value Trade-off

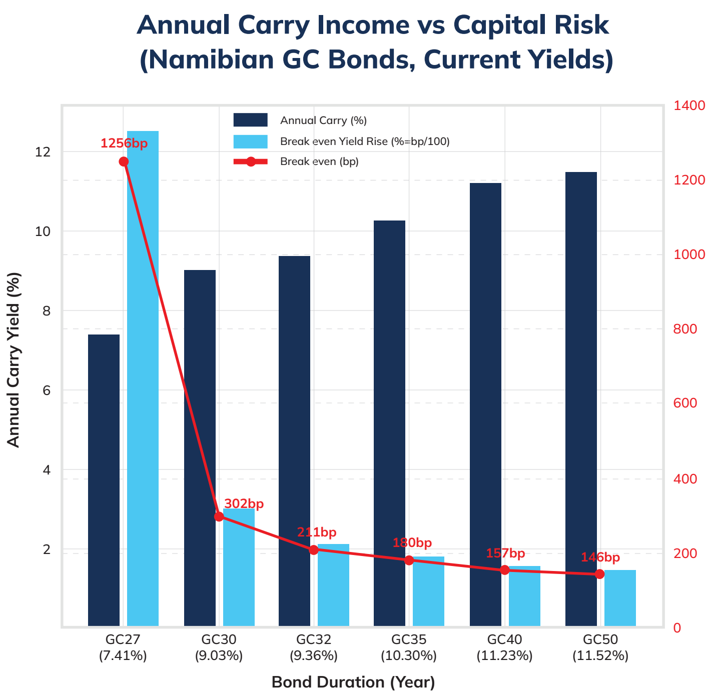
Sovereign bond yields are highly elevated, with the benchmark 6-year GC32 bond yielding 9.12% and the ultra-long GC50 yielding 11.32% as of July 2026, (representing a spread of approximately 113bp and 242bp over South African benchmarks, respectively). For bond fund investors, these high yields present a classic fixed-income trade-off: annual carry income versus capital price risk. In fixed-income mathematics, a bond's price moves inversely to its yield, with the sensitivity determined by its duration (measured in years). If yields rise further, long-duration bonds will suffer immediate capital losses:

- **GC27 (Modified Duration 0.49):** A short-duration instrument. A 100bp rise in yields results in a negligible capital loss of -0.6%, easily absorbed by its 7.25% annual carry yield.
- **GC32 (Modified Duration 4.32):** A medium-duration instrument. A 100bp yield rise triggers a capital loss of -4.4%.
- **GC53 (Modified Duration 8.24):** A long-duration instrument. A 100bp yield rise triggers a severe capital loss of -8.3%.

Conversely, the "carry" (interest income) acts as a powerful buffer. The break-even yield rise represents the amount yields can rise over a 12-month period before the capital loss completely wipes out the annual interest income: for the GC32, the annual carry of 9.12% allows yields to rise by up to 211 basis points in a year before a net negative return; for the GC50, the carry of 12.05% provides a break-even buffer of 146 basis points.

For unit trust investors in income and bond funds (such as the Capricorn Bond Fund, size N$2 billion, average investment horizon ~ 2 years), the current positioning is highly defensive. Short-duration income funds are insulated from long-end volatility while capturing high short-term yields. For long-term bond funds, the current yields of 10–11.5% offer a highly attractive entry point, as the high carry income provides a substantial cushion against further interest rate hikes, and any future yield compression (such as in the Bull Case) will generate significant capital gains.





The NAD/ZAR Peg and Offshore Diversification under Regulation 13

Namibia's membership in the Common Monetary Area (CMA) pegs the Namibian Dollar (NAD) 1:1 to the South African Rand (ZAR), eliminating exchange rate risk with South Africa but linking Namibia's currency to South Africa's macroeconomic and geopolitical vulnerabilities. For local investors, Regulation 13 of the Pension Funds Act governs domestic asset allocation, requiring pension funds and long-term insurers to hold a minimum of 45% of their assets in domestic (Namibian) instruments. This requirement was phased in from 10% in 1994 to 45% in March 2019 to prevent capital flight and stimulate domestic investment. The allowance for dual-listed shares on the Namibian Stock Exchange (NSX) to qualify as domestic assets was reduced to just 10% in 2018, effectively forcing institutional investors to allocate at least 35% of their portfolios to purely Namibian assets.

This creates a structural challenge: the domestic investable universe is exceptionally narrow, with only 10 companies listed on the NSX Local Main Board. With one of the highest pension fund asset-to-GDP ratios globally, domestic institutional capital is highly concentrated, with a massive portion allocated to Namibian Government Bonds (GC bonds). This concentration de-risks the government's funding side (as domestic pension funds act as a captive market, ensuring high bid-to-cover ratios at bond auctions), but it exposes local savers to sovereign risk.

The remaining 55% of assets can be invested outside of Namibia, subject to a strict geographical split: 20% of this is earmarked for South African assets, while only the remaining 35% can be invested in international offshore assets (outside the CMA). NAD weakness, driven by global risk-off sentiment and the oil price shock, potentially boosts the valuation of offshore assets when converted back to local currency. Financial advisors recommend that local investors fully utilize their offshore allowances under Regulation 13 to diversify away from the concentrated domestic market, particularly into global equities and hard-currency fixed income, to hedge against local currency depreciation.

SACU Revenue Volatility: The Transmission to the Real Economy

The Southern African Customs Union (SACU) revenue sharing formula remains a critical vulnerability for the Namibian economy. SACU receipts are highly cyclical, lagging South African import volumes and regional trade data by approximately two years. The 24.3% collapse in SACU receipts in FY2025/26 (falling from N$28.0 billion to N$21.2 billion)[68] represents a direct loss of liquidity to the national treasury. For ordinary citizens and local businesses, the transmission of a SACU shock is direct:

1. **Capital Budget Cuts:** Because the civil service wage bill (N$40 billion) and interest payments (N$16.7 billion) are structurally rigid and cannot be easily reduced, the government absorbs SACU revenue shortfalls by cutting the development (capital) budget [69].
2. **Infrastructure Slowdown:** Cuts to capital expenditure delay critical public infrastructure projects, such as road construction, water pipeline rehabilitation (NamWater), and electricity transmission expansion (NamPower). This directly impacts the domestic construction sector, which has already contracted from 3.4% of GDP in 2011 to 1.7% in Q4 2025 [70].
3. **Liquidity Squeeze:** Reduced government capital spending reduces the flow of liquidity to domestic contractors and suppliers, leading to delayed payments, reduced private sector credit extension, and weaker retail sales.

Conversely, the current mining boom (gold and uranium) is acting as a powerful counter-cyclical buffer, generating record tax windfalls that have allowed the government to maintain capital spending at N$9.2 billion in FY2025/26, preventing a deeper domestic liquidity squeeze.

14. Real Economy Indicators: Property and Private Sector Credit Extension

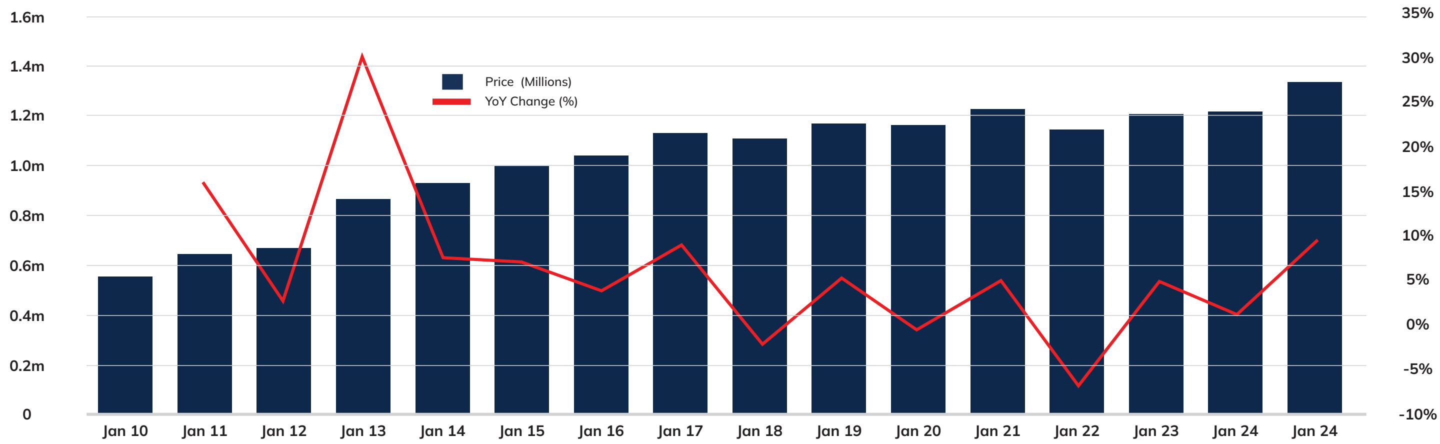
To gauge the health of the non-mining economy, investors monitor the domestic property market and credit growth:

- **The Property Market:** According to the FNB Namibia House Price Index, the average house price in Namibia stood at N$1.46 million in Q1 2026, a robust 7.1% year-on-year increase from late 2025[71]. While this indicates a resilient property market, the growth is primarily driven by a structural shortage of serviced land and limited housing supply in urban centres like Windhoek, Walvis Bay, and Swakopmund, rather than surging consumer demand. House prices have risen from an average of ~N$783,000 in 2010, increasingly outstripping average wage growth and making residential property ownership unaffordable for ordinary Namibians.

[68] PWC. (2026). PwC Namibia: Budget Review 2025/26 Analytics. Available: 2025-pwc-analytics-page.pdf. [Accessed 13 July 2026].
[69] PWC. (2026). Namibia National Budget Analysis 2026/27. Available: 2026-budget-review-presentation.pdf. [Accessed: 13 July 2026].
[70] Namibia Statistics Agency. (2026). Gross Domestic Product. Available: PUBLICATIONS - Namibia Statistics Agency. [Accessed: 13 July 2026].
[71] Windhoek Observer. (2026). House Price Index Grew by 7.1% in Q1. Available: House price index grew by 7.1% in Q1 – Windhoek Observer. [Accessed: 13 July 2026].

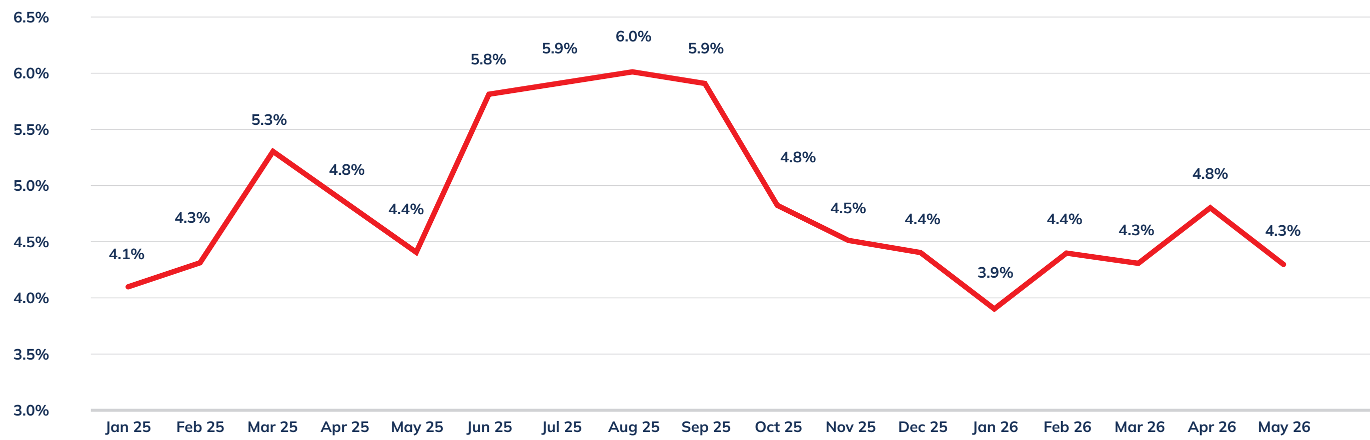
- **Private Sector Credit Extension (PSCE):** PSCE growth, monitored by the Bank of Namibia, acts as a barometer for business and consumer confidence. PSCE growth reached a 5-year high of 6% year-on-year in August 2025 (with total outstanding credit at N$120.85 billion), driven by corporate borrowing in the mining and logistics sectors. As of May 2026, PSCE growth stabilized at 4.3% year-on-year [72]. While this indicates a steady recovery from post-pandemic lows, credit extension remains below the pre-2020 long-term average of 7–10%, indicating that commercial banks remain cautious and consumer borrowing is constrained by high prime lending rates (10.25%).

Namibia House Prices



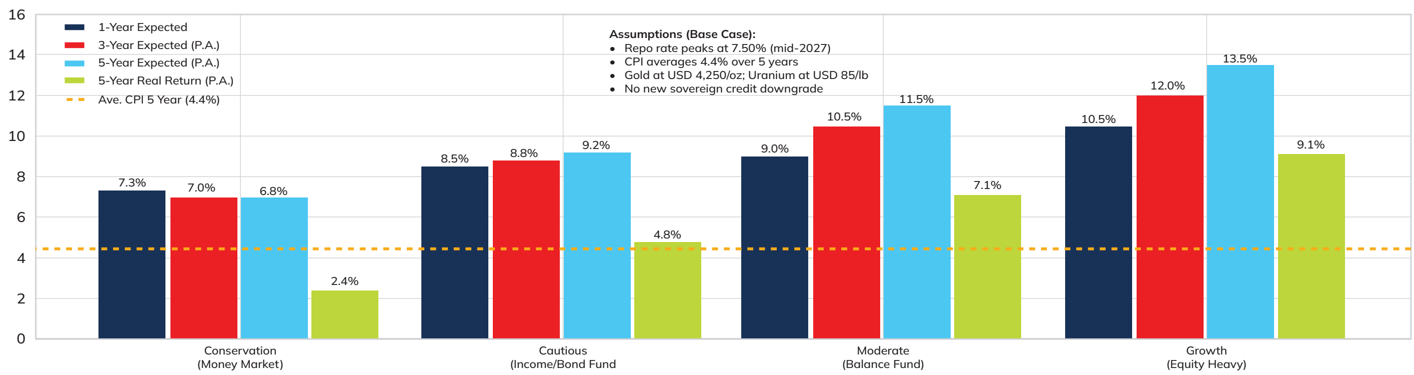
Source: FNB Namibia House Index (National House Value, Weighted Average)

PSCE Growth (%YoY)



Source: Bank of Namibia

Namibia: Expected Returns by Investor Profile (Base Case Scenario)



Source: Fund factsheets; Author estimates based on current yield environment

[72] Bank of Namibia. (2026). Quarterly Bulletin – June 2026. Available: ddae85e6-f701-4c46-8ada-bacf584a1a2e.pdf. [Accessed: 13 July 2026].

Investor Profile Expected Returns: A 5-Year Outlook

To assist financial planners and individual savers, the table below outlines the expected annualized nominal and real returns across four standard investor profiles over a 5-year horizon (2026–2030), under the Base Case Scenario (where inflation averages 3.9% for the 2026 calendar year and 4.6% for the 2027 calendar year, and the repo rate gradually normalizes to 6.00% by 2030).

Table 8: Expected Returns by Investor Profile (5-Year Horizon, 2026–2030)

Investor Profile	Target Asset Allocation	1-Yr	3-Yr	5-Yr	Projected 5-Yr Real Return	Investment Suitability & Rationale
Conservative (Money Market)	100% Cash / Call / Treasury Bills	7.3%	7.0%	6.8%	+2.4%	Ideal for capital preservation and liquidity. Captures high money market yields with zero capital volatility.
Cautious	70% Bonds, 30% Cash	8.5%	8.8%	9.2%	+4.8%	Suited for income-seeking investors. High bond carry provides strong real yields with limited duration risk.
Moderate (Balanced)	40% Equities, 45% Bonds, 15% Cash	9.0%	10.5%	11.5%	+7.1%	Standard Regulation 13 retirement portfolio. Benefits from equity growth, bond carry, and offshore diversification.
Growth	75% Equities, 25% Offshore / Cash	10.5%	12.0%	13.5%	+9.1%	Suited for long-term wealth creation. Maximises offshore equity exposure, currency-depreciation hedges, and local resource-sector equity expansions.

Source: Actuarial and Fund Factsheet Analysis; Capricorn Asset Management Estimates. Projections assume an average 5-year CPI of 4.4% and no sovereign credit rating downgrades.

Economic Risk Dashboard: A Traffic-Light System

The "Traffic-Light" Risk Dashboard provides a simple snapshot of Namibia's economy. It tracks ten important indicators and highlights areas of low, medium, and high risk for businesses, investors, and the public.

Green Indicators (Positive / Low Immediate Risk):

- **Mining Revenue & GDP Contribution:** Record N$7.8 billion tax contribution in 2025; sector constitutes 14.0% of GDP, acting as the primary economic stabilizer [73].
- **Gold Price & Production:** Gold trading at record highs of USD 4,500/oz; capacity expanding at Navachab and construction of Twin Hills (first gold 2027) underway [74].
- **Uranium Demand & Projects:** Global nuclear renaissance driving uranium spot prices; Langer Heinrich restarted; Tumas and Etango projects on track for production by 2028–2030 [75].
- **Consumer Spending & Retail:** Robust retail sales growth in 2025 outperforming expectations, supported by stable urban employment [76].

[73] Chamber of Mines of Namibia. (2025). 2025 Annual Review. Available: Annual Reviews – Chamber of mines. [Accessed: 13 July 2026].
[74-75] Ibid
[76] Bank of Namibia. (2026). Quarterly Bulletin – March 2026. Available: QB March 20 March 2026.indb. [Accessed: 13 July 2026].

Amber Indicators (Monitor / Moderate Risk):

- **Private Sector Credit Growth:** PSCE was 4.3% in May 2026, indicating steady credit demand, but remains below pre-pandemic long-term averages [77].
- **Inflation Outlook:** Headline CPI projected to peak at 4.8% in 2026 due to oil price shocks, with sticky second-round effects delaying normalization until 2029.
- **Interest Rate Path:** BoN repo rate projected to rise to 7.25% by mid-2027, maintaining a "higher-for-longer" environment that increases borrowing costs.
- **SACU Revenue Receipts:** Although Namibia suffered a severe 24.3% collapse in SACU receipts two years ago, these receipts have since recovered but remain a highly volatile and unpredictable component of government revenue.

Red Indicators (Elevated Risk / High Concern):

- **Government Debt-to-GDP & Fiscal Deficits:** The public debt stock has reached N$194.0 billion (73.0% of GDP including guarantees), well above the SADC 60% convergence target. With budget deficits projected to remain persistent at 4.0% to 6.0% of GDP, the debt-to-GDP and interest-to-revenue ratios will remain elevated for the foreseeable future.
- **Geopolitical Risk (Iran Conflict):** Ongoing military conflict in the Middle East will drive imported fuel inflation and global risk-off capital flight.

Key Opportunities for the Namibian Economy

While the near-term fiscal and inflationary pressures are real, Namibia is positioned to capture several major structural opportunities over the medium-to-long term:

1. **The Uranium and Gold Super-Cycle:** The dual boom in gold and uranium is generating unprecedented corporate tax revenues, royalties, and export levies, which are actively shielding the national budget from SACU volatility. This resource boom is creating high-paying contractor employment and driving substantial local procurement spending (N$23.97 billion in 2025), which stimulates the domestic SME sector [78].
2. **High-Yield Fixed Income Entry Point:** For local savers, the elevated government bond yield curve (9.12% on GC32, 11.37% on GC50) offers a historic opportunity to lock in high nominal yields. These yields are well above projected inflation, guaranteeing strong real returns for long-term investors.
3. **The Offshore Oil and Gas Frontier:** The massive deepwater discoveries in the Orange Basin (Venus, Graff, Mopane) represent a potential economic regime shift. If FIDs are finalized by 2026, first oil by 2033–2035 could double Namibia's real GDP, eliminate the government's fiscal deficit, and provide billions in funding for the Welwitschia Sovereign Wealth Fund.
4. **Utility-Scale Green Hydrogen:** The Hyphen project in the Tsau //Khaeb National Park positions Namibia as a potential producer of low-cost green hydrogen. However, the sector has recently lost some momentum as the government increasingly focuses its administrative and fiscal attention on the massive offshore oil and gas discoveries in the Orange Basin.

[77] Bank of Namibia. (2026). Quarterly Bulletin – June 2026. Available: ddae85e6-f701-4c46-8ada-bacf584a1a2e.pdf. [Accessed: 13 July 2026].
[78] Chamber of Mines of Namibia. (2025). 2025 Annual Review. Available: Annual Reviews – Chamber of mines. [Accessed: 13 July 2026].

15. Conclusion and Policy Recommendations

Namibia is navigating a delicate fiscal period. While its long-term economic prospects are supported by the gold, uranium, offshore oil, and green hydrogen sectors, its immediate fiscal position is constrained by high debt levels, rigid operational expenditures, and volatile SACU revenues. To ensure long-term macroeconomic stability, the government should prioritize the following structural reforms:

1. **Operational Expenditure Containment:** Implement civil service reform to manage net hiring and contain the public wage bill, ensuring it gradually declines from the current 45.0% of revenue to a more sustainable target of 35.0% of total revenue over the medium term.

2. **Debt Restructuring and Rollover Risk Mitigation:** Utilize the fiscal space created by the successful redemption of the 2025 Eurobond to lengthen the maturity profile of domestic debt, shifting from short-term Treasury bills to long-term fixed-rate bonds to reduce rollover risks.

3. **Operationalization of the Welwitschia Sovereign Wealth Fund:** Establish a robust legislative framework to ensure that future mineral royalties, oil profits, and resource windfalls are channelled directly into the Welwitschia Fund, with strict rules preventing its use for current operational expenditures.

4. **Local Content and Value Addition:** Enforce local content policies in the mining and upcoming oil sectors to maximize domestic procurement and skill transfers, while encouraging local mineral processing (e.g., local diamond cutting, gold refining) to support domestic value addition.

5. **Pragmatic Downstream Energy Policy:** Avoid mandating that international oil operators build a domestic oil refinery as a prerequisite for production. An export-focused upstream model is far more realistic; insisting on a refinery first represents an enormous capital investment that would severely disincentivize oil majors and delay first oil.

16. Annexure

Table A: Macroeconomic Assumptions

Assumption	2025	2026 (p)	2027 (p)	2028 (p)	2029 (p)	2030 (p)	Source / Rationale
Real GDP Growth (%)	1.7%	2.2%	2.9%	3.5%	4.0%	4.2%	Revised down for 2026/27 due to regional drought, inflation shocks, and delay in oil FID; long-term recovery driven by mining expansions.
Nominal GDP (N$ billions)	269.8	286.0	310.0	335.0	365.0	400.0	Baseline nominal GDP path per official national accounts and Ministry of Finance figures.
Inflation (CPI, %)	3.5%	3.9%	4.6%	4.6%	5.0%	4.4%	Oil shock second-round effects persist through 2028; sticky food/transport inflation.
Population (Millions)	3.02	3.15	3.21	3.27	3.33	3.39	UN World Population Prospects
Unemployment rate	33.4%	32.0%	30.5%	28.5%	27.0%	25.0%	Assumes construction / services job creation.
Exchange rate (NAD/USD, avg)	16.36	16.80	17.50	17.25	17.00	16.80	CMA peg to ZAR; rand weaker in 2026-2027 due to sticky inflation; gradual recovery.

Table B: Consumer Price Inflation Assumptions (Base Case)

Assumption	2025	2026 (p)	2027 (p)	2028 (p)	2029 (p)	2030 (p)	Source / Rationale
Namibia CPI (%)	3.5%	3.9%	4.6%	4.6%	5.0%	4.4%	Oil shock second-round effects persist through 2028; sticky food/transport inflation.
South Africa CPI (%)	3.2%	4.4%	5.2%	4.7%	4.5%	4.2%	Fuel/food pass-through sticky; wage-price spiral risk.
Namibia Food CPI (%)	5.2%	3.1%	6.6%	7.4%	4.8%	4.3%	Transport cost pass-through to food distribution; 6–12-month lag from fuel spike.
Namibia Transport CPI (%)	0.5%	6.1%	3.2%	2.7%	8.2%	7.1%	Fuel levy reinstatement; slow normalization.
Namibia Housing CPI (%)	3.8%	4.7%	4.2%	3.1%	4.0%	3.4%	Electricity tariff hikes; municipal increases.
BoN Repo Rate (% year-end)	6.50%	7.25%	6.75%	6.50%	6.00%	5.75%	BoN expected to hike to contain fuel shocks while noting inflation remains well contained.
SA Repo rate (%, year-end)	6.75%	7.50%	7.00%	6.75%	6.25%	6.00%	SARB already hiked to 7.00% (prime at 10.50%); holds through 2027 to anchor expectations.
Real Interest Rate (Repo – CPI)	2.8%	3.35%	2.15%	1.90%	1.0%	1.35%	Positive real rates maintained; tighter stance to anchor expectations.

Note: This revised base case reflects stickier inflation due to second-round effects (food distribution costs, electricity tariffs, wage demands).

Table C: Commodity Price Assumptions (Base Case)

Assumption	2025	2026 (p)	2027 (p)	2028 (p)	2029 (p)	2030 (p)	Source / Rationale
Brent Crude Oil (USD/bbl)	78	88	80	78	75	70	Geopolitical risk premium keeps 2026 average elevated above USD 100/bbl before gradual normalization.
Gold (USD/oz)	4,500	4,400	4,250	4,250	4,100	4,000	Currently ~USD 4,500/oz; gradual normalization from geopolitical premium; structural floor ~USD 4,000 supported by central bank buying.
Uranium (USD/lb)	82	90	95	100	105	110	Nuclear renaissance; supply deficit persists.
Diamonds (Rough, index) (Base=100)	88	84	82	78	76	74	Lab-grown competition; structural decline.
Copper (USD/lb)	4.80	6.36	6.00	5.80	5.50	5.30	Current high of USD 6.36/lb (May 2026) due to EV/AI grid demand; gradual long-term pullback but stays elevated above pre-2025 averages.
Zinc (USD/tonne)	2,600	2,700	2,800	2,900	3,000	3,100	Stable industrial demand.

Table D: Mining Production Volume Assumptions

Sub-Sector	2025	2026 (p)	2027 (p)	2028 (p)	2029 (p)	2030 (p)	Source / Rationale
Uranium (Tonnes)	10,445	12,175	12,733	13,444	15,833	17,833	Langer Heinrich ramp-up; Tumas FID 2026; Etango production by 2029
Gold (Ounces)	10,260	9,000	9,500	10,000	10,,500	11,000	Twin Hills online by 2027
Diamonds (Carats, Millions)	4.17	3.66	3.23	3.0	2.50	2.0	Debmarine vessel aging; Namdeb mine-life decline
Copper (Tonnes)	4,013	5,000	15,000	20,000	30,000	35,000	
Zinc (Tonnes)	68,176	70,000	77,000	80,000	85,000	85,000	Skorpion Zinc restart potential

Source: Chamber of Mines; CAM Projections

Table E: Mining Sector GDP and Revenue Assumptions

Indicator	2025	2026 (p)	2027 (p)	2028 (p)	2029 (p)	2030 (p)	Source / Rationale
Mining % of GDP	14%	14.5%	16%	17%	17.5%	18.5%	New mines online, rising commodity prices.
Corporate tax paid	3.0	6.6	7.0	7.4	8.1	8.5	Mine production increases
Mineral Royalties (N$ Billions)	2.5	3.2	4.0	4.8	5.5	6.2	Volume growth + elevated gold/uranium prices.
Export Levies (N$ Billions)	0.7	0.8	0.9	1.1	1.2	1.4	Uranium export volume growth.
Total Mining Tax Contribution (N$ Billions)	7.8	10.6	11.9	13.3	14.8	16.1	Sum of CIT + royalties + levies.
Mining Employment (Direct)	20,798	22,500	25,000	28,000	30,000	32,000	Twin Hills, Tumas, Etango construction/operations.

Table F: Government Revenue Assumptions (Fiscal Year Basis)

Indicator	FY25	FY26 (p)	FY27 (p)	FY28 (p)	FY29 (p)	FY30 (p)	Source / Rationale
Personal Income Tax (N$ m)	19,287	18,138	19,194	20,367	21,570	22,864	Employment ratio improves (higher level of taxpayers)
Corporate Tax (N$ m)	12,599	13,157	13,157	14,181	14,897	15,344	Continued rise in mining production
VAT (N$ m)	21,072	22,557	24,078	25,340	25,956	26,735	Digital taxation, Compliance and E-invoicing
SACU Receipts (N$ m)	28,605	21,891	23,914	26,660	26,738	28,342	Cyclical recovery, long-term depressed commodity prices
Other (N$ m)	7,500	10,905	9,770	10,241	10,780	11,426	limited royalties + increase in admin fees and statutory levies + Free education and medical health schemes
Total Revenue (N$ m)	89,057	87,436	90,113	96,789	99,941	104,711	Rise in mining productivity + continued growth in the tertiary industries

Table G: Government Expenditure Assumptions (Fiscal Year Basis)

Indicator	FY25	FY26 (p)	FY27 (p)	FY28 (p)	FY29 (p)	FY30 (p)	Source / Rationale
Wage Bill (N$ m)	35,482	37,010	40,072	40,489	41,291	43,149	Salary hikes + Continued recruitment in civil servant roles
Goods and Services (N$ m)	11,436	12,937	10,013	10,439	10,135	10,591	Squeezed out by the wage bill + fixed commitments (Tertiary edu. And PSEMAS)
Interest expense (N$ m)	13,100	14,342	16,218	17,123	17,799	18,600	Continued rise in debt borrowing + funding for mining development
Subsidies & Transfers (N$ m)	29,618	28,846	29,864	30,602	30,956	32,504	Cuts in SOE subsidies offset by welfare transfers to education and social safety net expansions
Capital (N$ m)	8,812	12,922	13,388	14,606	10,747	9,682	Victim of fixed expenditure obligations+ shift towards off-budget financing
Total Expenditure (N$ m)	100,327	105,920	106,731	107,955	110,174	114,526	Continued impact of inflated wage bill, Subsidies & transfers + rise of debt borrowing

Table F: Government Revenue Assumptions (Fiscal Year Basis)

Indicator	FY25	FY26 (p)	FY27 (p)	FY28 (p)	FY29 (p)	FY30 (p)	Source / Rationale
Personal Income Tax (N$ m)	19,287	18,138	19,194	20,367	21,570	22,864	Employment ratio improves (higher level of taxpayers)
Corporate Tax (N$ m)	12,599	13,157	13,157	14,181	14,897	15,344	Continued rise in mining production
VAT (N$ m)	21,072	22,557	24,078	25,340	25,956	26,735	Digital taxation, Compliance and E-invoicing
SACU Receipts (N$ m)	28,605	21,891	23,914	26,660	26,738	28,342	Cyclical recovery, long-term depressed commodity prices
Other (N$ m)	7,500	10,905	9,770	10,241	10,780	11,426	limited royalties + increase in admin fees and statutory levies + Free education and medical health schemes
Total Revenue (N$ m)	89,057	87,436	90,113	96,789	99,941	104,711	Rise in mining productivity + continued growth in the tertiary industries

Table G: Government Expenditure Assumptions (Fiscal Year Basis)

Indicator	FY25	FY26 (p)	FY27 (p)	FY28 (p)	FY29 (p)	FY30 (p)	Source / Rationale
Wage Bill (N$ m)	35,482	37,010	40,072	40,489	41,291	43,149	Salary hikes + Continued recruitment in civil servant roles
Goods and Services (N$ m)	11,436	12,937	10,013	10,439	10,135	10,591	Squeezed out by the wage bill + fixed commitments (Tertiary edu. And PSEMAS)
Interest expense (N$ m)	13,100	14,342	16,218	17,123	17,799	18,600	Continued rise in debt borrowing + funding for mining development
Subsidies & Transfers (N$ m)	29,618	28,846	29,864	30,602	30,956	32,504	Cuts in SOE subsidies offset by welfare transfers to education and social safety net expansions
Capital (N$ m)	8,812	12,922	13,388	14,606	10,747	9,682	Victim of fixed expenditure obligations+ shift towards off-budget financing
Total Expenditure (N$ m)	100,327	105,920	106,731	107,955	110,174	114,526	Continued impact of inflated wage bill, Subsidies & transfers + rise of debt borrowing

Table H: Fiscal Balance and Debt Assumptions (Fiscal Year Basis)

Indicator	FY25	FY26 (p)	FY27 (p)	FY28 (p)	FY29 (p)	FY30 (p)	Source / Rationale
Deficit (N$ m)	(11,270)	(18,484)	(16,618)	(11,166)	(10,233)	(9,814)	Consolidation towards the SADC 3% target
Debt (N$ m)	167,157	174,577	193,794	206,722	217,321	226,695	Long-term target of 60% Debt-to-GDP
Guarantees (N$ m)	9,272	9,348	9,786	15,000	17,000	19,000	
Debt + Guarantees (N$ m)	176,429	183,925	203,580	226,722	234,321	245,695	
Debt-to-GDP (%)	67.3%	65.2%	67.8%	67.3%	65.9%	64.2%	Long-term target of 60% Debt-to-GDP

Table I: Interest Rate and Bond Yield Assumptions (Base Case)

Indicator	May 2026	Dec 2026	Jun 2027	Dec 2027	Jun 2028	Dec 2028	Jun 2029	Source / Rationale
BoN Repo Rate (%)	6.75%	7.00%	7.25%	7.00%	6.75%	6.50%	6.00%	BoN expected to hike 25bp to 7% in 2026; holds through H1 2027; gradual cuts from 2028
SA Repo Rate (%)	7.00%	7.25%	7.50%	7.25%	7.00%	6.75%	6.25%	SARB already hiked to 7.00% in 2026; holds through H1 2027; gradual cuts from 2028.
Namibia Prime Rate (%)	10.25%	10.50%	10.75%	10.50%	10.25%	10.00%	9.50%	
12-month Treasury Bill rate	7.25%	8.00%	8.20%	7.80%	7.30%	6.80%	6.50%	Tracks repo closely; elevated through 2027.
GC32 Yield (Medium, %)	9.12%	10.20%	10.50%	9.80%	9.20%	8.70%	8.40%	Sticky inflation keeps medium-term yields elevated; spread narrows slowly.
GC40 Yield (Long End, %)	10.89%	11.80%	12.00%	11.50%	10.90%	10.40%	10.10%	Long-end very sticky; inflation expectations anchored higher.
Brent Crude (USD/bbl)	105	88	82	76	73	70	68	Iran deal Q3 2026; slow normalization; second round effects persist.
SA CPI (%)	4.5%	5.4%	4.9%	4.8%	4.3%	5.2%	4.9%	Oil shock + food pass-through peaks Q4 2026; slow return to target.
Namibia CPI (%)	4.1%	4.6%	4.0%	4.4%	4.1%	5.4%	5.5%	Hits 4.8% by Aug-26; food/logistics second-round effects persist through 2028.

Table J: Key Structural Assumptions Underlying All Scenarios

Assumption	Value / Description	Rationale
CMA Peg	NAD pegged 1:1 to ZAR throughout projection period	No expectation of peg break; BoN reserves adequate.
SACU Revenue Formula	Based on SA customs pool; 2-year lag in adjustments	SACU formula unchanged; revenue recovery from FY2026/27.
Wage Growth Cap	3% per annum nominal increase in personnel expenditure	Below inflation; real wage compression.
Mining Royalty Rates	Diamonds 10%, Uranium 3%, Gold 3%, Base Metals 2%	No changes to Minerals Act royalty schedule assumed.
Corporate Tax Rate	32% (standard), 37.5% (mining, 55% (diamond mining)	No tax rate changes assumed.
Tumas FID	FID in late 2026	Deep Yellow DFS completed; financing in progress.
Etango-8 FID	FID in 2027	Bannerman FEED completed 2024; financing underway.
Twin Hills Production Start	Commercial production from mid-2027	Construction underway; Yintai Gold funding confirmed.
Offshore Oil FID	TotalEnergies Venus FID expected 2026	Appraisal drilling completed; FPSO procurement started.
First Oil	First oil from Venus FPSO by 2033-2035	Development timeline takes up to 8 years post-FID due to deepwater engineering.
Green Hydrogen (Hyphen)	Phase 1 delayed / lost momentum	Project has lost momentum as government focuses resources on offshore oil development.
SARB Inflation Target	2-4% band; midpoint 3%	No change in monetary policy framework.
BoN aligns with SARB	BoN repo rate moves in lockstep with SARB (+/- 25bps)	CMA peg requires interest rate alignment.
No New Eurobond Issuance	All new borrowing via domestic GC bonds and T-bills	Post-2025 Eurobond redemption strategy; no FX borrowing.
Treasury Bill Rollover	N$47.2B in T-bills rolled over at prevailing short-term rates	Rollover risk remains but manageable under base/bull case.