



NamPPF
Namibia Public-Private Forum

Manufacturing and Value Addition

NAMIBIA PUBLIC-PRIVATE FORUM | 23-24 OCTOBER 2025

ST Ackermann | Namib Mills

Philip Hikumwah | MarmoWerke Marble Works

Hosted by:



Republic of Namibia
National Planning Commission

Secretariat:



NIPDB
Namibia Investment Promotion
& Development Board



SCOPE AND FOCUS OF THE WORKING GROUP

- Manufacturing and Value Addition (General) — transformation of materials into new products — excluding all other value addition activities in other working groups like mineral beneficiation and construction.

PURPOSE OF THE EXERCISE

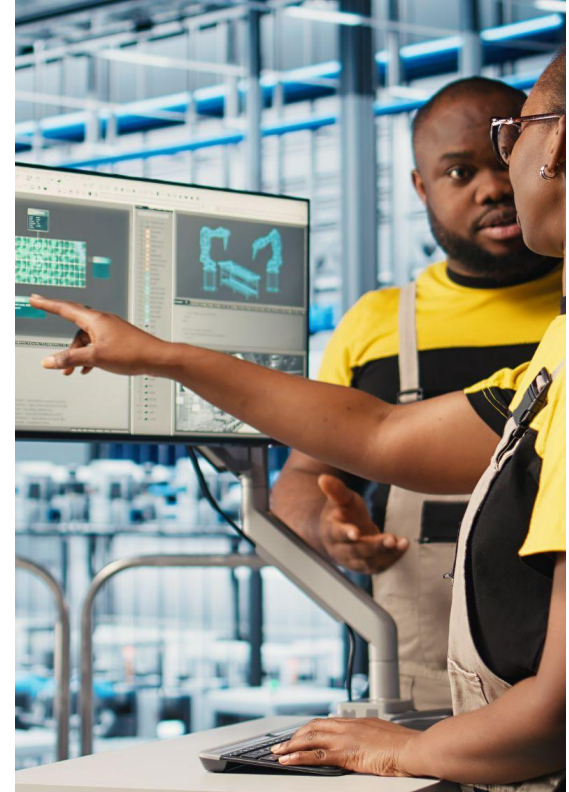
INCLUDED

- Food and Beverages,
- Agro-processing,
- Light engineering (metal fabrication)
- Textiles,
- Pharmaceuticals, and
- Renewable energy components
- All others



EXCLUDED

- Mineral Beneficiation
- Cement & Construction Industry





SCOPE AND FOCUS OF THE WORKING GROUP

KEY HIGHLIGHTS INCLUDE

1

Economic significance and growth prospects of the manufacturing sector

2

Outlining key challenges and structural bottlenecks by the manufacturing sector

3

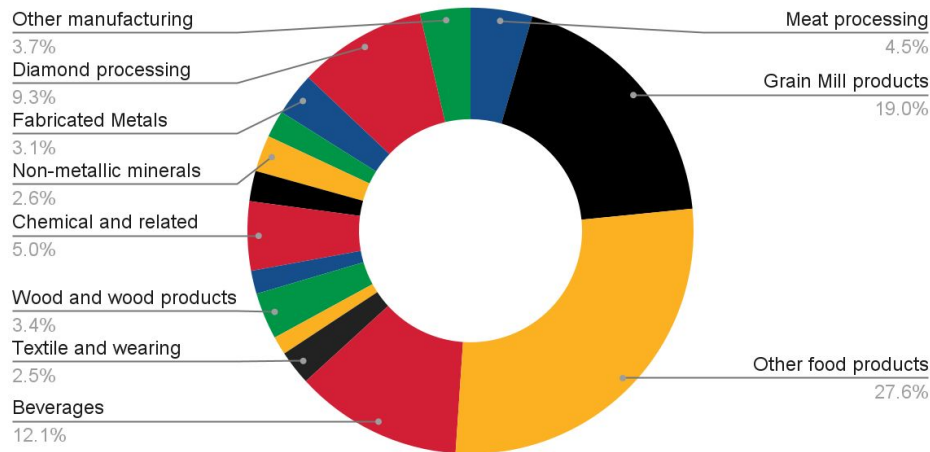
Strategic recommendations and interventions to unlock potential and attract reinvestment in the sector



MANUFACTURING CONTRIBUTION TO GDP

Share of Manufacturing activities

For the year 2024



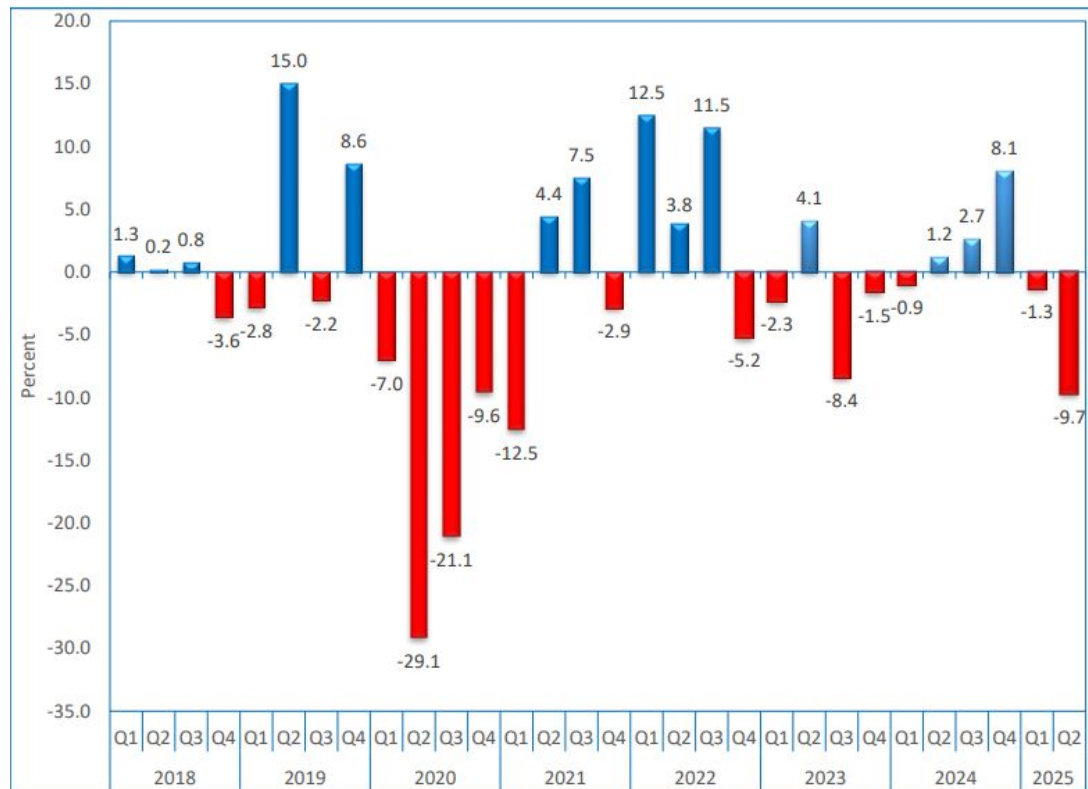
Food products take the bulk share of manufacturing activities in Namibia

CONTRIBUTION TO GDP (NAD MILLION)

Other food products	7,678
Grain Mill products	5,264
Beverages	3,374
Diamond processing	2,582
Chemical and related products	1,390
Meat processing	1,241
Other manufacturing	1,014
Wood and wood products	940
Fabricated Metals	869
Non-metallic minerals products	733
Textile and wearing apparel	695
Rubber and Plastics products	611
Basic non-ferrous metals	545
Publishing and Printing	467
Leather and related products	369



PERFORMANCE OF THE MANUFACTURING SECTOR



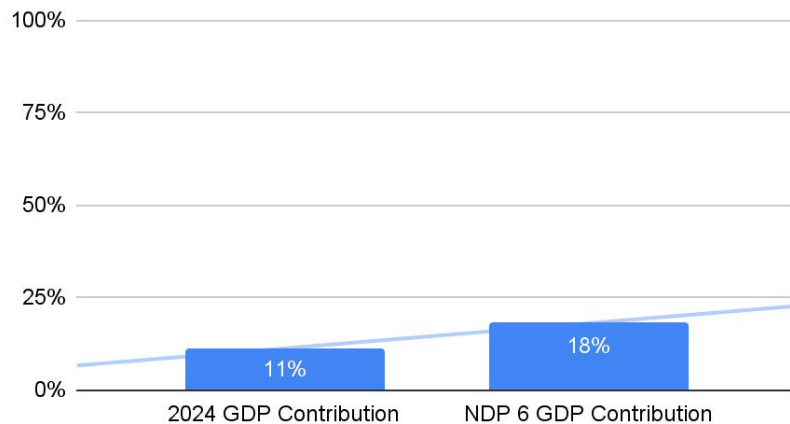
According to NSA, the performance in the sector was mainly attributed to the subsector of Diamond cutting and polishing that declined further, registering 59.1 percent during the period under review, compared to a decline of 33.4 percent recorded in the corresponding quarter of 2024.

In addition, sub sectors such as Meat processing, Basic non-ferrous metals and Beverages registered double digit declines in real value added of 50.9 percent, 25.2 percent and 12.0 percent during the period under review, compared to increases of 14.0 percent, 21.0 percent, and 8.6 percent recorded in the corresponding quarter of 2024, respectively.



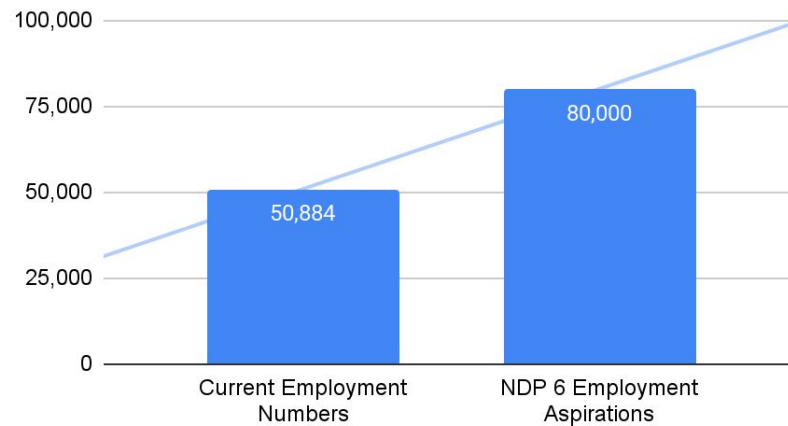
MANUFACTURING CONTRIBUTION TO GDP

GDP Contribution of Manufacturing sector



International Average, 17%

Employment Contribution of Manufacturing sector



Source: BON Economic Outlook Update – December 2024



KEY CHALLENGES AND CONSTRAINTS

- 1. High Production and Utility Costs**
- 2. Uncompetitive Tax and Incentive Regime**
- 3. Policy and Regulatory Inconsistencies**
- 4. Industry Protection, Local Procurement and Tariff Reform**
- 5. Limited Skills and Technological Upgrading**



KEY CHALLENGES AND CONSTRAINTS

- 6. Weak Quality-Assurance Infrastructure**
- 7. Energy Cost Entrapment and Market Reform**
- 8. Enterprise Development and Manufacturer Recognition**
- 9. Institutional Coordination**



COMPLIANCE ENVIRONMENT

Area	Authority/Regulator
Business Registration	BIPA
Environmental Regulations	MEFT
Health and Safety	SSC/MOHSS
Labour laws	Min of Labour
Taxation	NamRA
Trade Regulations	NamRA/MIRT
Standards & Quality	NSI
Licensing and Permits	Local Authorities/Sector Regulators
Intellectual Property	BIPA
Export Permits	Relevant regulator





TAX COMPARISON

COUNTRY	SEZ / MANUFACTURING TAX	NOTES
SOUTH AFRICA	5% (first 10 yrs), then 10%	Strong SEZ performance
BOTSWANA	15%	Effective for export-oriented firms
NAMIBIA	30% (Proposed 20% for SEZ)	Uncompetitive; no operational incentives
MAURITIUS	15%	Paired with R&D and training rebates



Namibia's proposed 20% SEZ rate remains 5–10% points above peers, limiting competitiveness under AfCFTA.



RECOMMENDATIONS AND PROPOSED ACTIONS

- 1. Reduce Input Costs**
- 2. Operationalize SEZ and Incentive Frameworks**
- 3. Lower Effective Tax Rate**
- 4. Accelerate Skills and Technology transfer**



RECOMMENDATIONS AND PROPOSED ACTIONS

5. Enterprise Development & Recognition

6. Energy Market Reform

7. Industry Protection & Local Procurement

8. Standards & Quality Infrastructure



CASE STUDY



- Machinery purchased for factory expansion
- Machinery manufacturer required own personnel to handle installation for warranty purposes
- Work permit process took over 8 months
- Lost revenue
- Lost trust with clients
- Inability to scale on time



CALL TO ACTION

Namibia's industrialisation agenda will succeed only if it becomes

- Cheaper to produce
 - Faster to invest
 - Smarter to scale.

The Cabinet must urgently allow low input costs, operationalise the SEZ and incentive ecosystem, and correct fiscal distortions that keep the country uncompetitive. These are the three decisive levers to unlock manufacturing growth and position Namibia as an AfCFTA-ready industrial hub.



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THANK YOU

Philip Hikumwah | MarmoWerke Marble Works

Contact details: **onghass6@gmail.com** | **+264 81 122 3926**

ST Ackermann | Namib Mills

Contact details: **sackermann@nm.na** | **+264 81 474 8521**

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