Bank of Namibia

UNAM
UNIVERSITY OF NAMIBIA

Building Wealth Beyond Natural Resources

Creating Namibia's Next Growth Story

Governor Ebson Uanguta · 14 August 2026

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The Bank of Namibia assumes no responsibility for decisions made based on the content of this presentation.

AGENDA

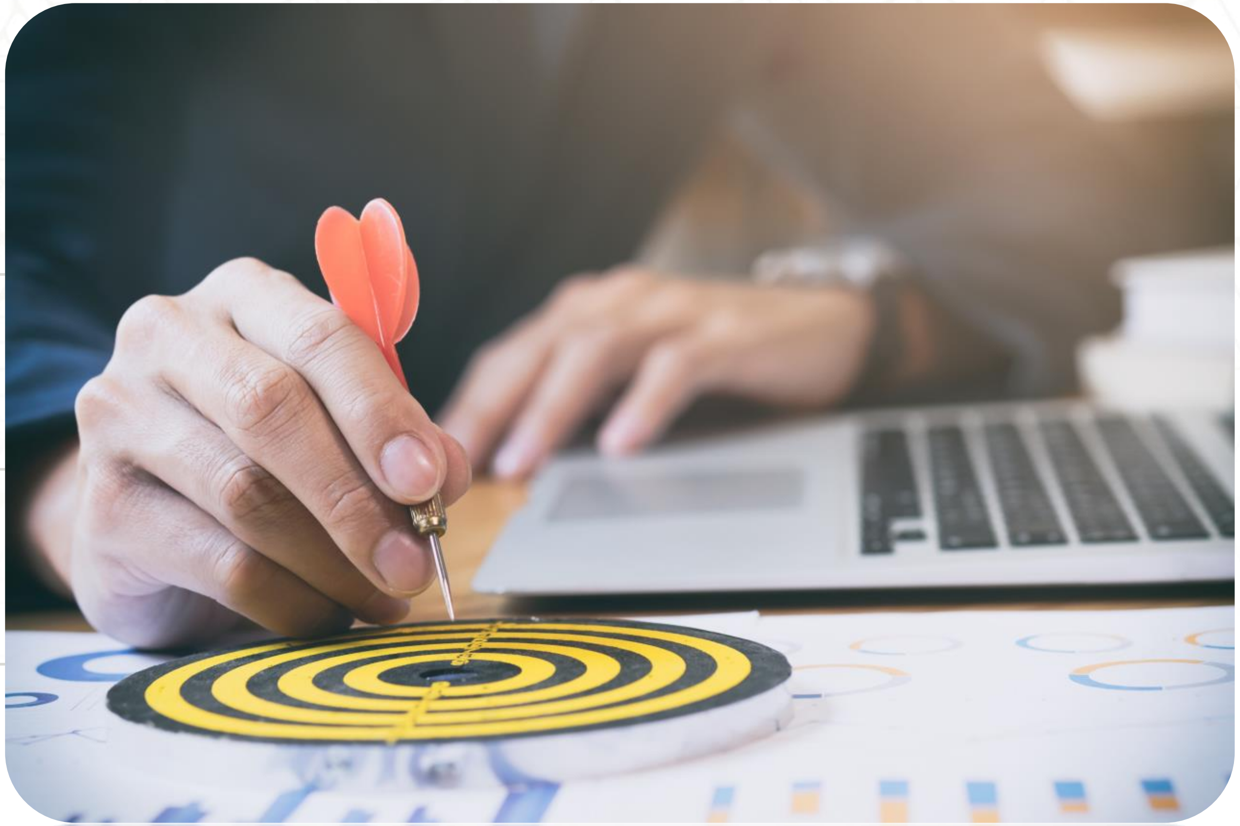
What We'll Cover

01 Namibia's Economic Structure

02 Namibia's Next Growth Story

03 Resource-Rich Is Not Sufficient for Prosperity

04 Conclusion and a Call for Action



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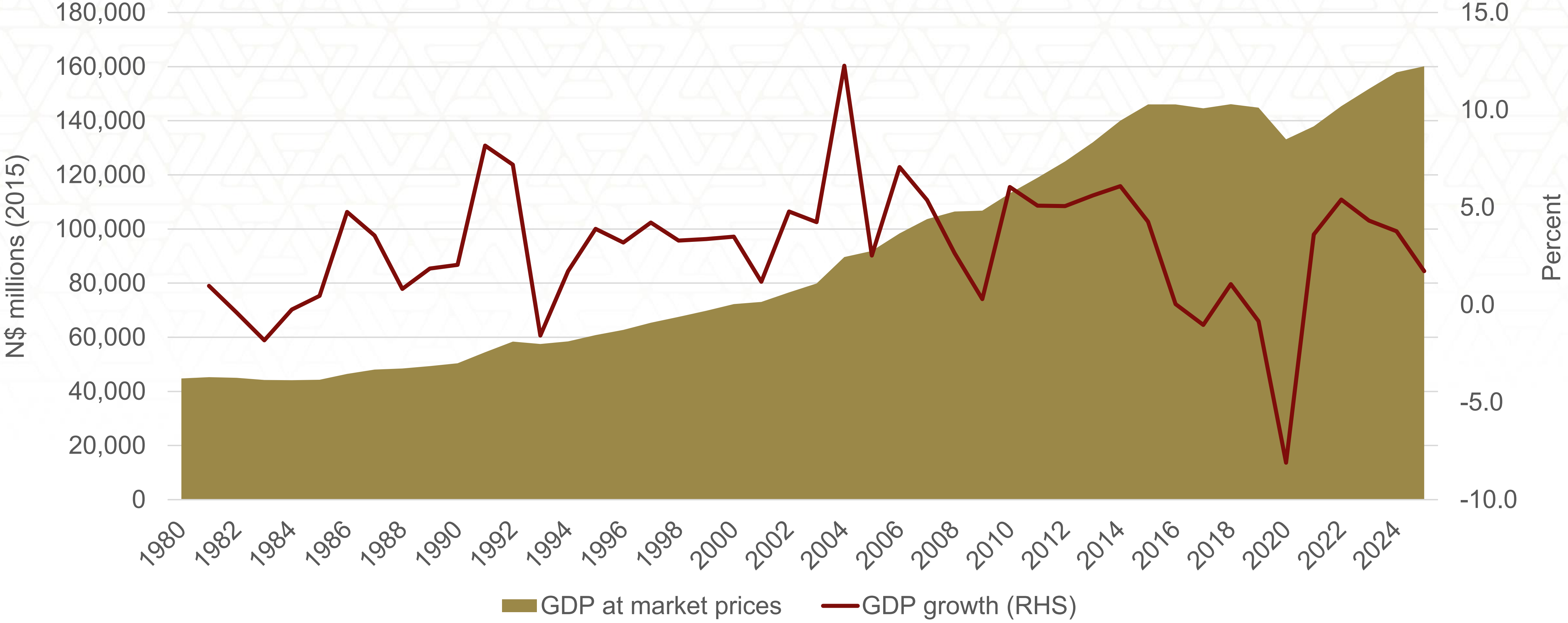
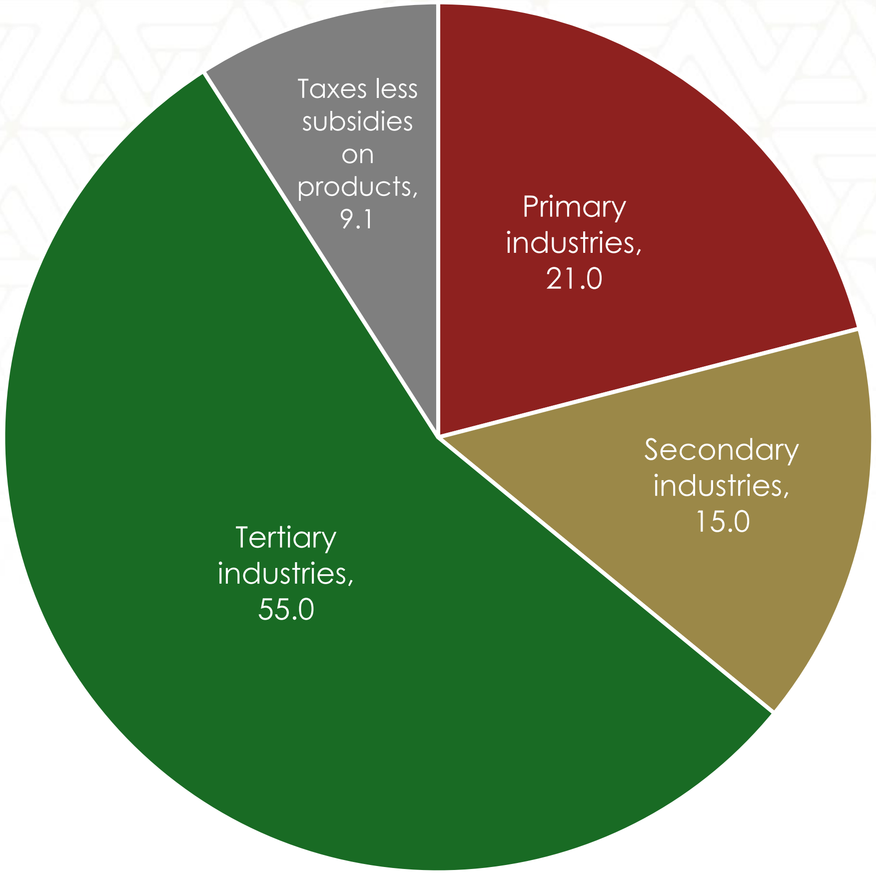
Namibia's Economic Structure

Background: Namibia's Economic Structure



Background: Namibia's Economic Structure



Natural Resources Sector remains the anchor of the Namibian economy.

- diversified natural resources endowments
- non-renewables: diamonds, uranium, gold, zinc, copper
- renewables: wind, solar

Heavy reliance on mining (diamonds, uranium)

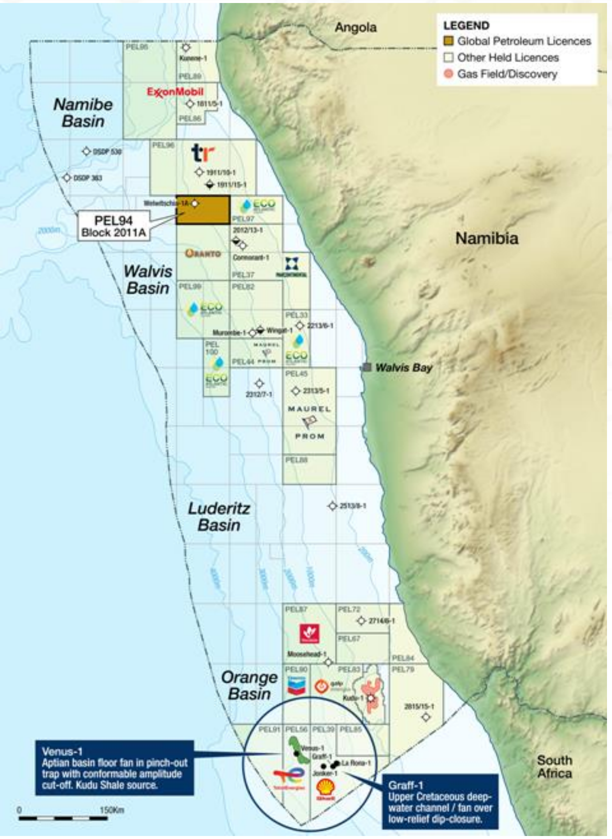
High exposure to external shocks

Capital intensive sectors - low employment absorption

2

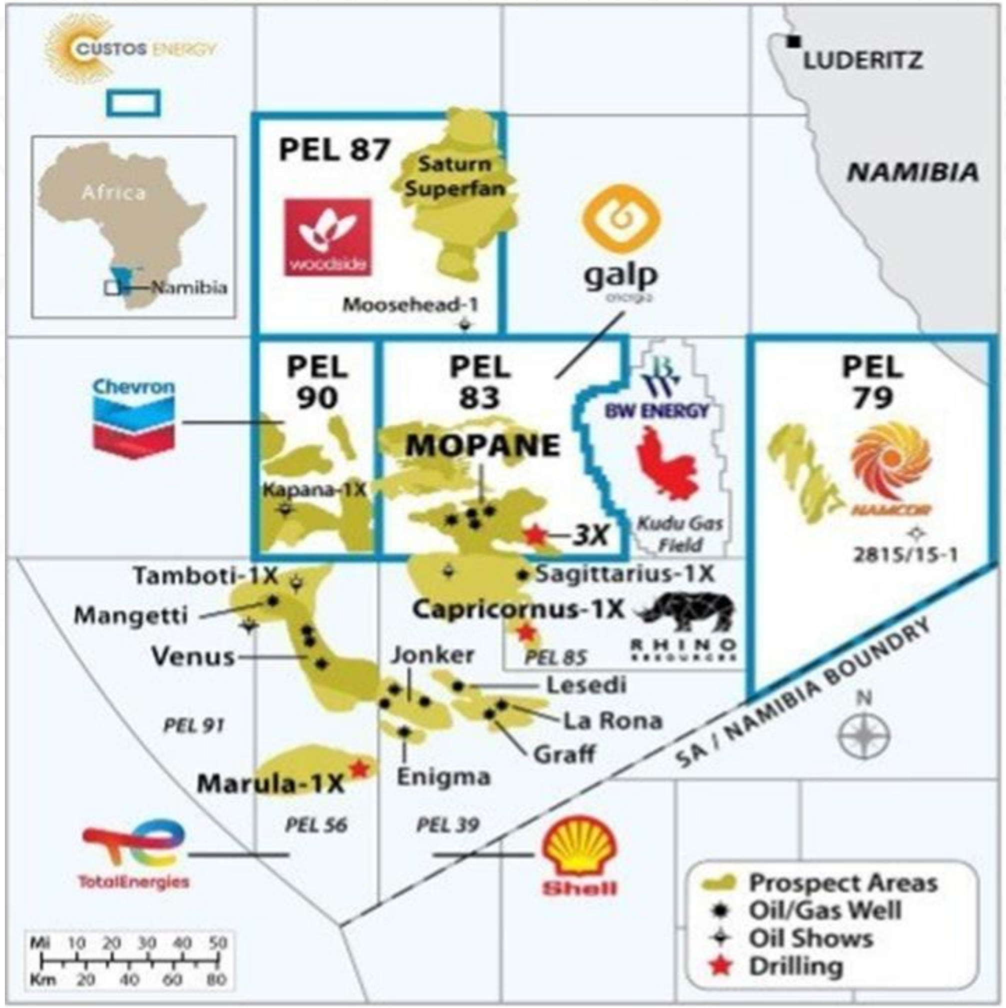
Namibia's Next Growth Story

Namibia's Next Growth Story



The country stands at a historic crossroads, pursuing a dual-track strategy that pairs multi-billion-barrel offshore oil and gas reserves with world-class renewable and green hydrogen potential.

Oil and Gas Discoveries



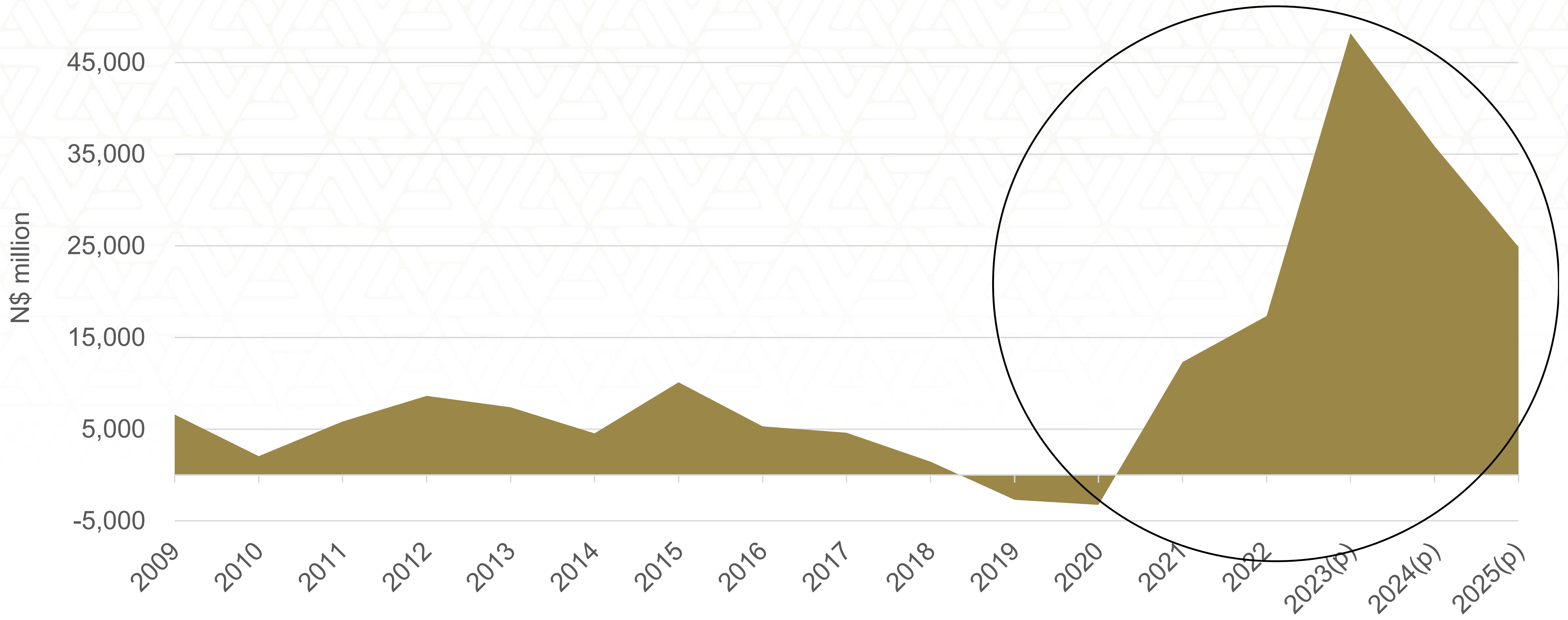
To date, 50 exploration and appraisal wells drilled in Namibia.

First discovery:
Kudu Gas Field (1974).

Recent discoveries in the Orange Basin (from 2022):

- Jonker & Graff (Shell)
- Venus (TotalEnergies)
- Mopane (Galp)
- Volans & Capricornus (Rhino Resources)
- Merlin-1X (Shell)

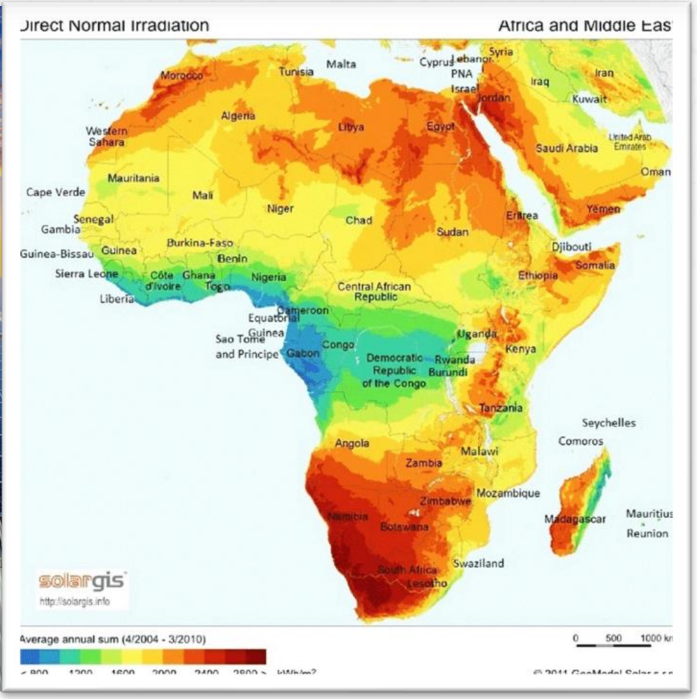
Foreign Direct Investments, net inflows

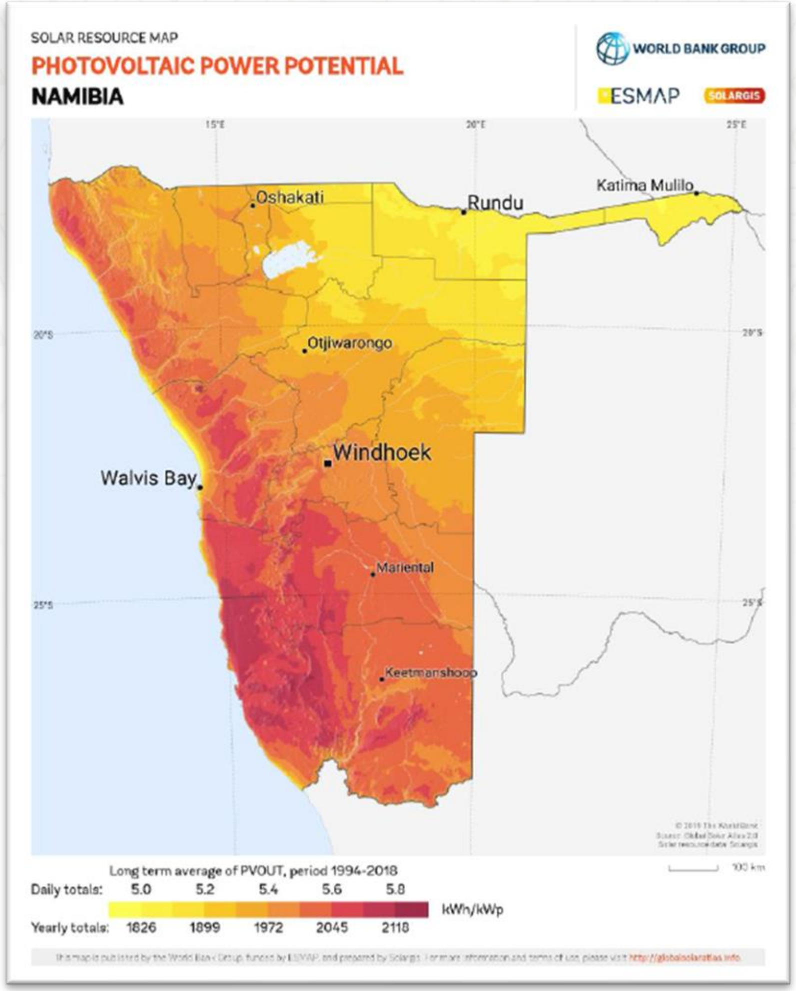


Renewable Energy Potential

Exceptional Solar Resource

- DNI over 2400 kw/m2/year in selected areas
- Gross Solar Capacity Factors over 30% in selected areas

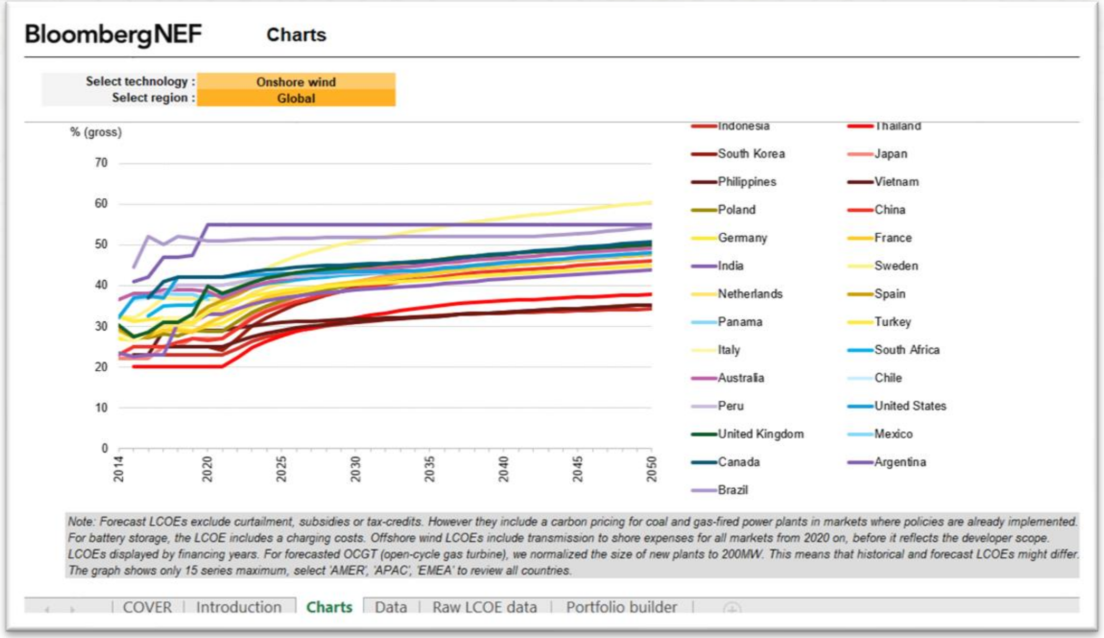


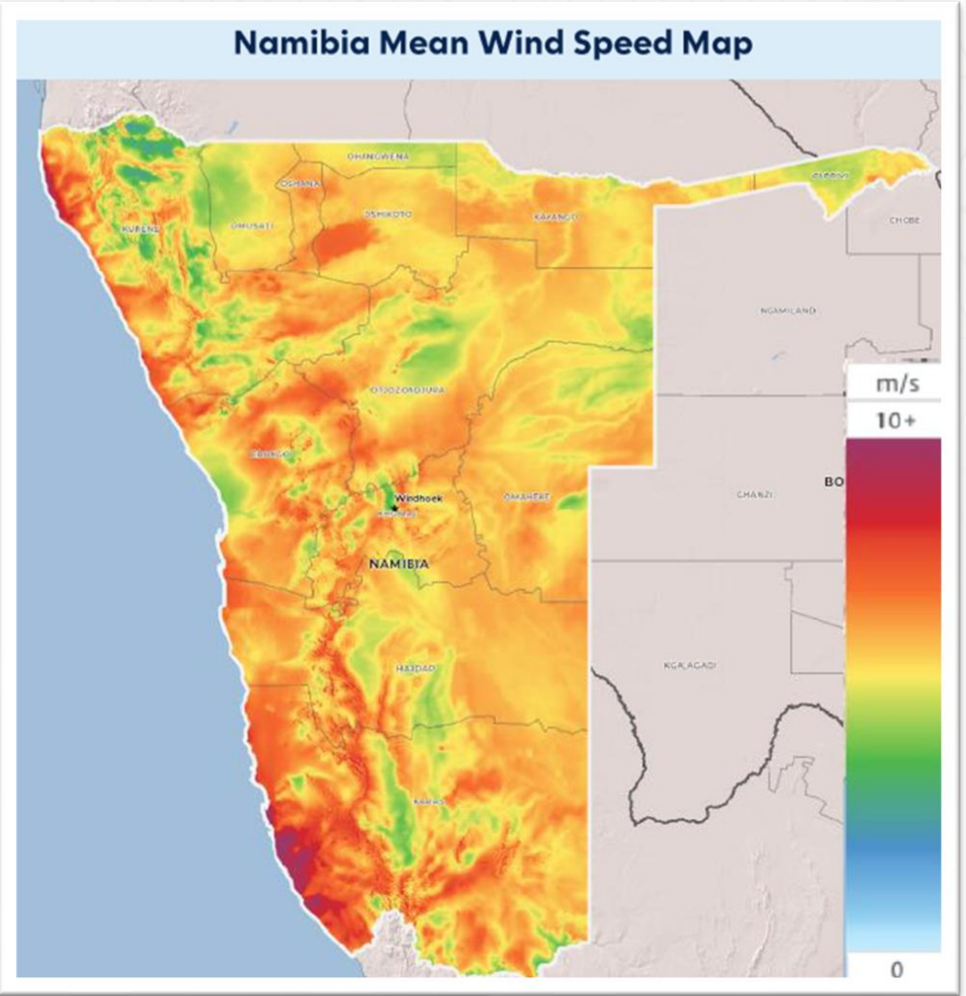


Renewable Energy Potential

Excellent Wind Resource

- Gross Capacity Factors in excess of 55% in selected areas
- Wind speeds in excess of 8 m/s in selected areas





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Resource-Rich Is Not Sufficient for Prosperity

RESOURCE-RICH IS NOT SUFFICIENT FOR PROSPERITY

Namibia's natural resources are a major source of foreign exchange reserves, fiscal revenue and FDIs flows.

However,

the economy's high dependence on resources exposes it to volatile commodity prices, global demand and changes in production conditions.

Therefore,

Namibia should transform its natural resources into long term financial assets that can benefit multiple generations.

Welwitschia Fund®

Longevity. Resilience. Inclusivity.

Safeguarding National Prosperity

The Welwitschia Fund was established in **2022** to enhance Namibia's resilience against **cyclical and external shocks and promote intergenerational equity and prosperity** through the distribution of benefits from **natural resources.**

Welwitschia Fund Objectives

Savings for future generations

- intergenerational savings
- ensure intergenerational equity
- wealth accumulation purposes
- promote long-term prosperity

INTERGENERATIONAL FUND

Fiscal and reserve stabilization

- stabilize the national budget
- enhance the stock of reserves
- insulate against excess
  - commodity prices
  - shocks on revenue
  - balance of payments

STABILIZATION FUND

Welwitschia Fund Envisaged Funding Sources

INTERGENERATIONAL SAVINGS FUND

I. Natural Resources:

Non-renewables
- *receipts from minerals, petroleum & other subsoil resources*

II. Divestiture:
- *divestiture from public investment holdings, sale of public assets*

STABILIZATION FUND

I. Natural Resources:

Renewables
- *receipts from renewable resources, green hydrogen*

II. SACU-CRP:
- *portion of receipts and adjustments*

IV. Budget surplus:
- *boom times: portion of budget surpluses*

Welwitschia Fund

The Welwitschia Fund's **initial seed capital of USD 17.74 million / NAD 282.68 million** was injected in early **2022.**

As of **31 July 2026**, the Fund has achieved an annualised return of **15.5 percent since inception.** This resulted in a total market value of **USD30.85 million (NAD 508.47 million).**

The Sovereign Wealth Fund of Namibia Bill is undergoing the **statutory approval** and is envisaged to be **tabled** in Parliament later in 2026.

The Ministry of Finance has placed the custodian of the Fund with the **Bank of Namibia.**

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Longevity. Resilience. Inclusivity.

Welwitschia Fund Fiscal Rules

Principles

- funds can only be used in line with the fund objectives
- in rare circumstances, to defend the currency against balance of payments shock
- strict rules against withdrawing from the Intergenerational fund
- withdrawal from the Stabilization fund for fiscal stabilization purposes

Intergenerational Fund

- fund need to meet a minimum withdrawal threshold before withdrawal is permitted
- withdrawals against returns accruing from investments, capital cannot be withdrawn
- withdrawn returns channeled strictly into projects beneficial to future generations
- withdrawal shall not exceed 10 percent of the total returns accumulated in the Account

Stabilisation Fund

- deficit emanates from shortfalls in revenue collection, not from an increase in expenditure
- Revenue as a percent of GDP falls below a stipulated threshold
- Withdrawal shall not exceed 10 percent of the account's total asset value in a given year

Global Experiences

Norway: petroleum revenue saved in a sovereign wealth fund under strict fiscal rules, alongside a world-class local supplier industry.

Gayana' Natural Resource Fund (NRF) receives all oil revenues, with withdrawals governed by law and investments held in low-risk international assets to preserve wealth and support long-term stability.

Chile, Malaysia and Indonesia: fiscal savings rules plus deliberate processing, skills and industrial policy shifted them beyond raw exports.

Botswana: stronger diamond partnerships, savings through the Pula Fund, and cutting, polishing and aggregation brought onshore.

Further Leveraging on Resources Sector

Local Content / Capacity Building

Key Pillars for Success

1 Skills Development
- Knowhow agglomeration
- Maximize training, upskilling, and employment

2 Inclusive Economic Participation
- Strengthen local supplier participation and financing
- Promote research and development

3 Value Chain Development
- Develop auxiliary industries
- Facilitate technology and knowledge transfer

4 Establish a Strong Enabling Environment
- Develop clear regulatory and institutional frameworks
- Identify priority goods/services to build local capacity

Tertiary institutions' role in the Next Growth Story

Universities play a role in generating applied research, innovation and contribute to problem solutions in the resources sector.

Research should not be performed in a vacuum but should be linked to challenges facing the economy and national development priorities

Students can contribute to practical solutions via research, start-ups, internships and innovations.

4

Conclusion and Call for Action

A Call to Action

Students

Build the technical skills required in the resources sectors and auxiliary industries.

Academia

Align curricula with skills requirement in the resources sectors and tie research agenda to addressing national challenges.

Private Sector

Invest in local value addition and supply chains and partner with universities and Technical and Vocational Education and Training (TVET) institutions.

Public Sector

Develop the legal and regulatory frameworks to effectively implement the National Upstream Petroleum Local Content Policy (2025) to ensure maximum beneficiation for the local economy.

Conclusion

Namibia is a resource-based economy with the primary sector contributing significantly to GDP. This growth model has, however, not translated into employment creation and inclusive growth.

Namibia plans to utilize the Welwitschia Fund as a mechanism to transform revenues from temporary non-renewable resources into long term financial resources to benefit generations.

In addition to generating revenues, the resources sector can also be useful to create auxiliary industries as well as technology transfer and knowhow agglomeration.


THANK YOU