Namibia’s economic freedom score is 58.7, making its economy the 99th freest in the 2019 Index. Its overall score has increased by 0.2 point, with higher scores for government integrity and the tax burden outpacing declines in business freedom and the score for government spending. Namibia is ranked 10th among 47 countries in the Sub-Saharan Africa region, and its overall score is above the regional average but below the world average.

Namibia has benefited significantly from relative openness to trade and investment and from global commerce. Economic policy tilted back toward promotion of private-sector investment in 2018 when the government scrapped plans for drastic steps to redress inequality that could have increased investor uncertainty and disrupted the business climate. Ongoing popular demand for expropriations will likely lead to some restrictions on foreign land tenure. Economic freedom is constrained by long-standing institutional weaknesses and the absence of commitment to deeper reforms.

**ECONOMIC FREEDOM SCORE**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>59.6</td>
</tr>
<tr>
<td>2016</td>
<td>61.9</td>
</tr>
<tr>
<td>2017</td>
<td>62.5</td>
</tr>
<tr>
<td>2018</td>
<td>58.5</td>
</tr>
<tr>
<td>2019</td>
<td>58.7</td>
</tr>
</tbody>
</table>

**HISTORICAL INDEX SCORE CHANGE (SINCE 1997):** -2.9

**CONCERNS:**
- Fiscal Health and Financial Freedom

**RELATIVE STRENGTHS:**
- Labor Freedom and Trade Freedom

**BACKGROUND:** Namibia has been politically stable since gaining independence from South Africa in 1990. President Hage Geingob was elected to a five-year term in 2014. The ruling South West Africa People’s Organization (SWAPO) has won every election by large majorities since 1990. The mining sector brings in more than 50 percent of foreign exchange earnings, and Namibia is projected to become the world’s third-largest uranium producer once a Chinese-run mine is fully online. Namibia’s economy is closely linked to South Africa’s, and its credit rating is one of the highest in the region. Namibia is holding a series of conferences to examine possible reforms of land ownership, including the expropriation of land with “fair compensation” for redistribution to the black majority.

**UNEMPLOYMENT:** 23.3%

**INFLATION (CPI):** 6.1%

**FDI INFLOW:** $416.0 million

**PUBLIC DEBT:** 46.1% of GDP

*2017 data unless otherwise noted. Data compiled as of September 2018*
Property rights are constitutionally guaranteed, but the parliament may expropriate property and regulate the property rights of foreign nationals. The judiciary is impartial and independent, but it is also understaffed, and judges are poorly trained. A strong anticorruption drive by the president, backed by exemplary action, has helped the fight against graft, but significant weaknesses in transparency and government accountability remain.

The top individual income tax rate is 37 percent, and the top corporate tax rate is 34 percent. Other taxes include a value-added tax. The overall tax burden equals 28.6 percent of total domestic income. Over the past three years, government spending has amounted to 41.3 percent of the country's output (GDP), and budget deficits have averaged 7.8 percent of GDP. Public debt is equivalent to 46.1 percent of GDP.

The overall regulatory framework has become more efficient and streamlined, but the pace of reform has slowed. Enforcement of commercial regulations is fairly effective and consistent. Labor regulations are relatively flexible, but the labor market lacks dynamism. Growth is slow because of the government-dependent services sector and subsidies for education, medical care, roads and infrastructure, and agriculture.

The combined value of exports and imports is equal to 84.2 percent of GDP. The average applied tariff rate is a low 1.0 percent, but nontariff barriers, exacerbated by other institutional shortcomings, undermine overall trade freedom. The Competition Commission can review any potential mergers and acquisitions that might adversely affect Namibia's economy. Despite some progress, financial intermediation remains uneven across the country.