

Employment Law

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Namibia

- Strategic outlook 2026:
Navigating policy and key
project milestones



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Strategic outlook 2026: Navigating policy and key project milestones

Namibia entered a new phase in its labour landscape with the introduction of its first-ever National Minimum Wage (NMW), which came into effect on 1 January 2025. The reform establishes a baseline wage of NAD 18 per hour for general workers and represents one of the most significant labour law developments in the country in recent decades.

The reform is grounded in Article 95(e) of the Namibian Constitution, which obliges the state to implement policies that ensure workers receive a living wage, one sufficient to maintain a decent standard of living and participate meaningfully in social and cultural life. The NMW therefore reflects both a legal obligation and a policy response to socio-economic inequality.

Position prior to the National Minimum Wage

Prior to the introduction of the NMW, Namibia did not have a universal statutory minimum wage applicable across all sectors. Wage regulation was fragmented and depended largely on collective bargaining agreements, industry-specific wage orders, individual employment contracts, and informal market practices.

This fragmented system produced considerable wage disparities. Workers in sectors such as domestic work, agriculture and private security were particularly vulnerable, with many earning wages significantly below subsistence levels.

What prompted the reform

Several factors contributed to the introduction of the NMW.

Persistent income inequality and rising living costs placed growing pressure on households across the country. At the same time, Namibia's constitutional commitment to social justice and dignity required stronger mechanisms to protect vulnerable workers.

Trade unions and civil society organisations also played an important advocacy role. While the reform was not triggered by a single nationwide labour action, it emerged within a broader context of heightened labour relations tensions and growing concerns about low wages in several industries.

What the NMW introduces

The NMW establishes a universal base wage of NAD 18 per hour for general workers, effective from 1 January 2025.

Recognising the structural realities of certain industries, the policy introduces phased wage adjustments for historically lower-paying sectors to allow employers to adapt gradually while improving worker earnings over time.

Security sector

2025 – NAD 13 per hour

2026 – NAD 16 per hour

2027 – NAD 18 per hour

Domestic workers

2025 – NAD 12 per hour

2026 – NAD 15 per hour

2027 – NAD 18 per hour

Agricultural workers

2025 – NAD 10 per hour

2026 – NAD 14 per hour

2027 – NAD 18 per hour

Across these sectors, wage adjustments range from approximately 23% to more than 80% over the three-year implementation period. The phased approach aims to balance worker protection with economic sustainability.

Security sector perspective and compliance challenges

Within the private security industry, the introduction of the minimum wage has been widely welcomed. Kuume Uutapama, President of the Security Association of Namibia, has described the increases as long overdue.

The reform is expected to improve working conditions in a sector historically characterised by low wages and long working hours. It may also help address longstanding compliance issues where some companies ignored wage standards in order to offer cheaper services, thereby undercutting compliant businesses.

The establishment of a clear statutory wage floor is therefore likely to improve both labour standards and fair competition within the sector.

Legal basis and enforcement

The NMW was promulgated under the Labour Act 11 of 2007 through Government Notice No. 218 of 2024.

Responsibility for enforcement rests with the Ministry of Justice and Labour Relations. The NMW is therefore both a regulatory mechanism and a broader social justice intervention aimed at strengthening labour protections and promoting fair employment standards.



Broader labour policy developments

The introduction of the NMW forms part of a broader shift toward modernising Namibia's labour regulatory environment.

Recent and forthcoming developments include strengthened labour inspection systems, expanded enforcement in informal and non-traditional workplaces, the digitalisation of dispute resolution and case management systems, and alignment with the forthcoming Third National Employment Policy.

These initiatives are intended to improve labour governance and enhance access to justice within the employment framework.

Strategic implications

For workers, the NMW is expected to increase purchasing power, improve working conditions and reduce vulnerability to exploitation.

For employers, the reform creates clearer wage benchmarks and promotes fairer competition by ensuring that all businesses operate within the same regulatory framework.

At a macroeconomic level, increased earnings may stimulate household consumption, support social stability, and contribute to Namibia's broader development objectives.

Phased implementation and sectoral application

Government Notice No. 218 of 2024, as amended by Government Notice No. 6 of 2025, established a phased implementation framework for the National Minimum Wage in respect of agricultural

workers, domestic workers and security workers. These sectors were granted temporary transitional relief from the full implementation of the National Minimum Wage in recognition of their particular operational and economic circumstances.

The retail sector was excluded from such transitional relief. Retail employers were required to comply with the prescribed NMW of NAD 18 per hour from the effective date of 1 January 2025.

Government Notice No. 6 of 2025 reinforced the enforcement framework by clarifying the transitional timelines and confirming that employers outside the phased implementation categories must demonstrate immediate compliance. The Ministry of Justice and Labour Relations retains authority to conduct inspections, issue compliance orders and, where necessary, initiate prosecution proceedings against non-compliant employers.

Compliance with the NMW

Employers who fail to comply with the NMW requirements may be issued with a compliance order by the Labour Commissioner directing them to pay wages in accordance with the prescribed minimum.

Employees who believe they are being paid below the applicable minimum wage may lodge complaints with the Office of the Labour Commissioner. The Labour Court also has jurisdiction to adjudicate disputes arising from alleged non-compliance with the Wage Order.

Conclusion

The National Minimum Wage represents a landmark reform in Namibia's labour law landscape. Although implementation and enforcement challenges remain, especially with respect to inspections by the labour inspectors, the phased wage increases particularly within historically underpaid sectors such as security, domestic work, and agriculture signal meaningful progress toward decent work, fair competition, and inclusive economic growth.

As Namibia moves toward full alignment with the N\$18 per hour benchmark by 2027, the success of the policy will depend on effective enforcement, ongoing stakeholder engagement, and continued alignment with national employment strategies.

Frieda Kishi and Erykah Talaya

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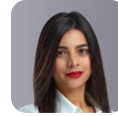
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Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

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