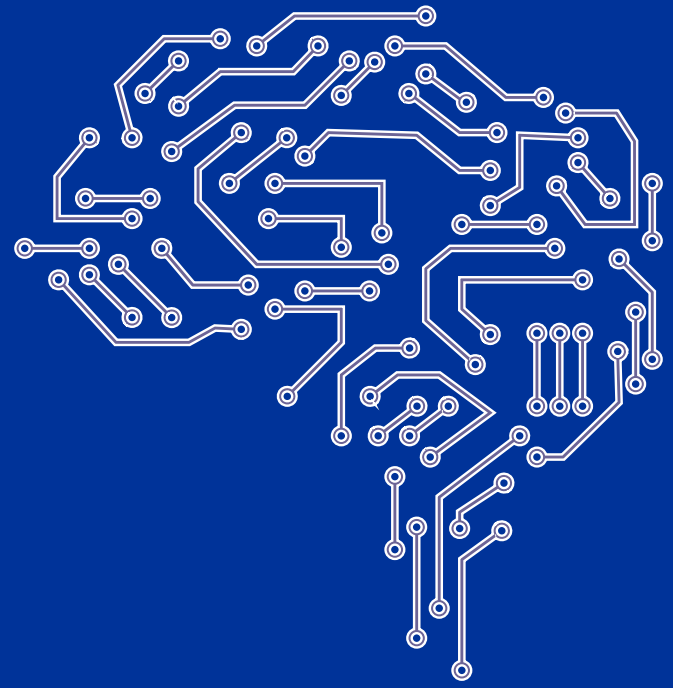
# NAMIBIA
# DATA CENTER MARKET BRIEFING



A strategic overview of the data center investment opportunity in Namibia

A Xalam Analytics Country Report

July 2025

DATA GOVERNANCE IN AFRICA

This report is part of a series of market briefs developed by Xalam Analytics at the behest of Digital Investment Facility (DIF) under the Data Governance in Africa Initiative, on the data center market opportunity in sub-Saharan Africa ("SSA"). This analysis aims to provide key insights into market demand and supply patterns for data center markets, business landscape, regulatory impact and investment returns. The research aims to provide potential investors and stakeholders with the latest information on the data center market in the SSA region.

This country review is based on our assessment of information and data as available to our research. It is further underpinned by our understanding of the marketplace along with market data and insights collected through continuous research. The numbers and estimates in this report are derived from a mix of sources, including estimates from Xalam Analytics' economic models, data providers, regulator data and other sources as may be indicated.

This report is prepared with funds from the Data Governance in Africa Initiative, a project financed by the European Union, Germany, Belgium, Estonia, Finland and France under the Digital for Development (D4D) Hub. Its contents are the sole responsibility of Xalam Analytics and do not necessarily reflect the views of the funders.



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# The Namibia data center investment case

A growing regional logistics and connectivity hub and ambitious green hydrogen infrastructure plans are making Namibia increasingly attractive to data center development

## THE OPPORTUNITY

- **Relative political and economic stability,** with GDP growth averaging 3-4% per year.
- **Namibia's proximity to South Africa** makes it a suitable alternative for customers looking for a presence in Southern Africa. Namibia borders nearly all the countries in Southern Africa.
- **Namibia is a regional logistics hub,** with some of the best ports and road infrastructure in Africa.
- **A key market for the development of renewable energy sources;** Namibia has extensive plans for green hydrogen development and has some of the world's highest solar radiation levels.

## CHALLENGES & RISKS

- **Relatively small population and economy,** limiting the size of the data center opportunity relative to other countries in the region.
- High poverty levels and high unemployment.
- **Moderately high energy prices** when compared with some of its Southern African peers.
- Concentrated fiber market leading to **relatively high bandwidth costs**.

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# Namibia data center market overview

*Estimates as of 2024*

**~3**

Live DC facilities

**1.4MW**

Live critical IT load (1)

**NA**

Capacity in construction (2)

**~1MW+**

Long term pipeline (3)

**NA**

Facilities in construction or in pipeline

**~50%**

Facility occupancy (4)

**$1m**

Annual Commercial Data Center Revenue

**16%**

Data center market CAGR (2024-30)

(1)Capacity that is active, under lease or readily available for lease by third-party customers.
(2)IT load capacity from facilities currently in construction; construction has broken ground; ongoing civil works, installation and commissioning phases are in progress.
(3)Facilities explicitly announced or listed as in development. Some execution phases have been initiated (e.g. land control, energy supply commitments, etc.), but no actual civil works have been undertaken. Capacity expected to be available by the end of 2030.
(4) Percent of available capacity that is effectively being used by third party customers.
Sources: Xalam Analytics estimates, provider data

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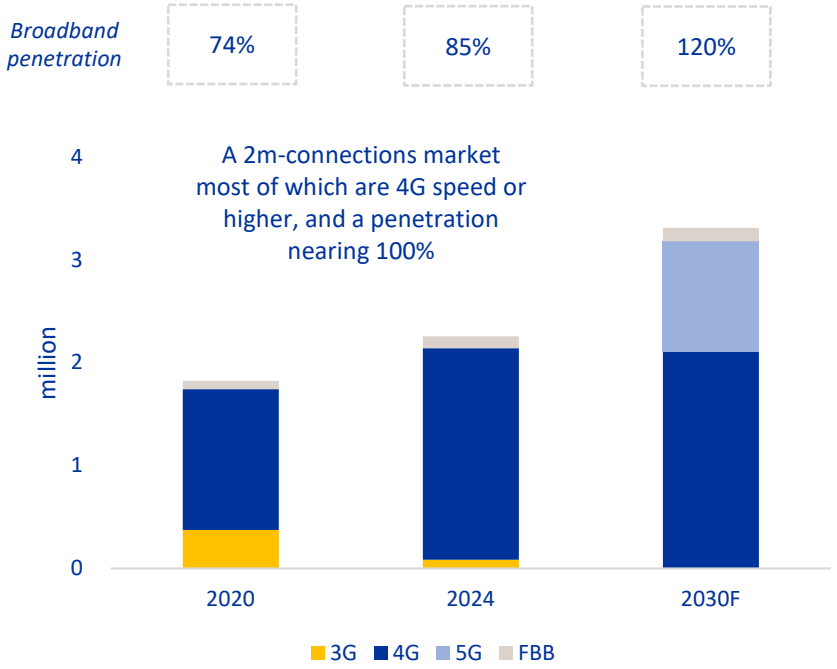
# Key drivers of demand for data centers

An opportunity to expand a burgeoning hosting and cloud infrastructure in an increasingly mature digital environment

### A mature broadband market

Namibia broadband connections by type - million




### A stable, mostly predictable economy

Namibia key indicators - 2024

**~$13bn**
GDP

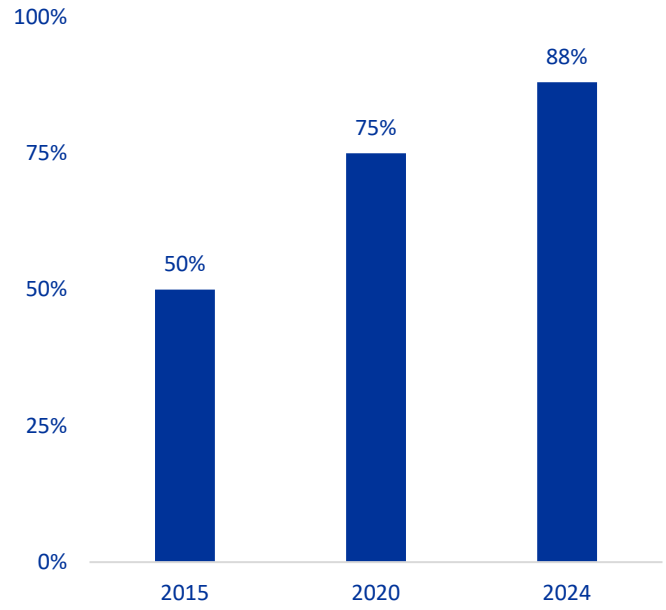
**3.7%**
Real GDP growth

**85%**
Broadband penetration

**4.2%**
Annual inflation

### Accelerated digital infrastructure build

Namibia 4G network coverage - % of the population




Sources: IMF, CRAN and provider data, Xalam Analytics estimates

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# Data center market conditions

Namibia has a broadly favorable operating environment for data centers, with some notable constraints

## Electricity & Fiber Markets

- Government-owned Telecom Namibia added 233km of fiber in 2023/24 at a cost of N$35.5m. The operator plans to invest another $27m in 2024/25 to further expand fiber to rural areas.
- Namibia's National Broadband Strategy established a goal of providing 2Mbsp data access to 95% of the population by 2024. The IMT-2020 strategy for 2023-2027 lays out a plan to expand 5G coverage throughout the country.
- Namibia currently produces only 45% of its domestic electricity consumption, though plans to increase this to 80% by 2030 to reduce reliance on neighboring countries.
- Renewables account for around 90% of the total power mix; the country has extensive plans to develop green hydrogen, with up to 3.5GW of capacity in a first phase, primarily for export purposes.
- Relatively high power costs; concentrated fiber market leads to relatively high bandwidth prices, though competition is heating up.

## Data privacy, hosting & environmental regulations

- Passed the Access to Information Act in 2022, supporting the digitalization of many government services to help citizens gain access to information.
- Namibia has not yet passed legislation specific to data privacy and sovereignty. Data privacy continues to be governed by Article 13 of the Namibian constitution.

## Investment Incentives

- In 2022, Namibia passed the Special Economic Zone Policy, replacing the previous Export Processing Zones (EPZ) regime. The SEZ Policy offers enterprises numerous incentives including lower tax rates, R&D allowances, fast-track visas for foreign staff, reduced import duties, among others.
- Namibia's Vision 2030 plan established ICT as one of the crucial engines of economic growth through 2030.

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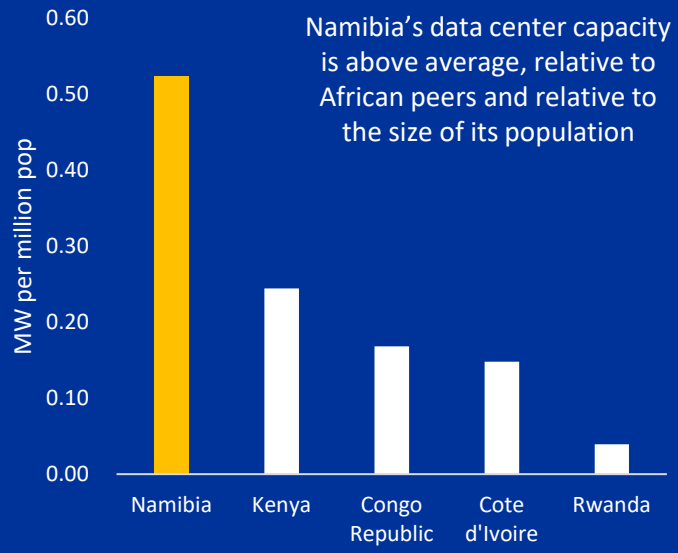
# State of data center supply

Namibia's data center capacity base has grown steadily and is already robust relative to the country's economy and population size

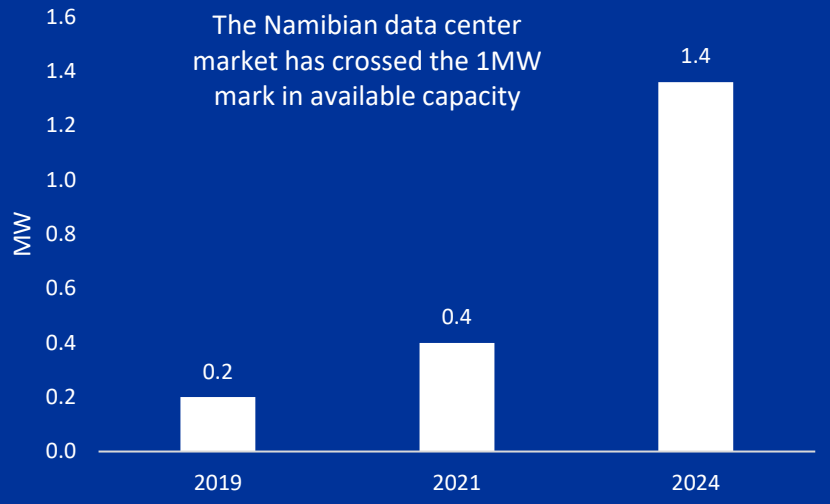
**Namibia data center supply – 2024E**
Sample market indicators (1)

| | |
|---|---|
| **~3** Live commercial DC facilities | **~1.4MW** Live IT load |
| **2MW+** Potential/Full-build IT load (2) | **~70%** % of supply that is carrier-neutral |

**Namibia vs. Sub-Saharan Africa peers**
Critical IT load – MW per million population




**Namibia data center market – evolution of live supply**
Critical IT load - in MW




(1)Numbers are rounded up (2) Potential/Full-build load is facility capacity assuming that all phases of development have been completed. Additional CapEx would be needed to make the residual capacity operational.
Sources: Xalam Analytics estimates, provider data

# Key data center market players

The market is dominated by telcos and the Paratus carrier-neutral facility, with limited competition

**Telcos**

telecom namibia

mtc

Focused on mobility and fiber - colocation is an adjacent opportunity.

**Carrier-neutral**

PARATUS
Always Prepared

Fiberco managing its facility on a carrier-neutral basis

## Limited competition

- Telcos and fiber infracos dominate the market.
- Paratus manages the only built-for-purpose data center in Namibia. The other two facilities are hybrid facilities used mainly for internal purposes.
- Namibia has yet to see the introduction of a carrier-neutral player, likely the result of its proximity to South Africa.
- It will likely be a few years (3-5) before pan-African players like Paix, ADC, Wingu and others start looking at markets like Namibia for expansion.

Sources: Xalam Analytics estimates, provider data

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# GLOSSARY & KEY DEFINITIONS

# Key definitions

| | |
|---|---|
| Data center | While there are a variety of definitions for data centers, this market review is focused on commercial facilities , that is, facilities that lease colocation white space and power capacity to third-party customers on open, commercial terms, and in exchange for a fee. Captive facilities (bank data centers, telco switch sites and similar) are excluded from this assessment. Estimates focus on facilities at Tier II standard and above, unless otherwise indicated. Where applicable, these estimates include cloud hyperscaler self-built facilities. |
| Live critical IT load | Capacity that is active, under lease or readily available for lease. |
| Full build capacity | Data center facilities are typically built in phases; the full-build capacity is capacity assuming all potential phases of build have been completed and are live. |
| Capacity in construction | Facilities that have broken ground; ongoing civil works, installation and commissioning phases. |
| Pipeline | Facilities explicitly announced or listed as in development. Some execution phases have been initiated (e.g. land acquisition, power supply commitments, etc.), but no actual civil works have been undertaken. |
| Carrier-neutral | Facilities not specifically affiliated to a connectivity or cloud vendor, with capacity available to all third-party customers, on equal commercial terms, without explicit or implicit constraints or favoritism. This market review uses a loose definition for carrier-neutral, referring to facilities that are purely carrier-neutral, recognized by the market or effectively managed as such. |

# Glossary

Below are some of the key abbreviations used in this report

| | |
|---|---|
| **AI** | Artificial Intelligence |
| **ASN** | Autonomous System Number |
| **bn** | billion |
| **CAGR** | Compound Annual Growth Rate |
| **CapEx** | Capital Expenditures |
| **CDN** | Content Delivery Network |
| **Colo** | Colocation |
| **DC** | Data Center |
| **DIF** | Digital Investment Facility |
| **EAC** | East African Community |
| **EU** | European Union |
| **F** | Forecast |
| **FBB** | Fixed Broadband |
| **FDI** | Foreign Direct Investment |
| **FX** | Foreign Exchange |
| **GDP** | Gross Domestic Product |
| **GDPR** | General Data Protection Regulation |
| **ICT** | Information, Communications and Technology |
| **ISP** | Internet Service Provider |
| **IPP** | Independent Power Producer |
| **IT** | Information Technology |

| | |
|---|---|
| **kW** | Kilowatt |
| **kWh** | Kilowatt Hour |
| **LLM** | Large Language Models |
| **m** | million |
| **MNC** | Multinational Corporation |
| **MNO** | Mobile Network Operator |
| **MRR** | Monthly Recurring Revenue |
| **MSP** | Managed Service Provider |
| **MW** | Megawatts |
| **NDC** | National Data Center |
| **OEM** | Original Equipment Manufacturer |
| **POP** | Point of Presence |
| **PUE** | Power Usage Effectiveness |
| **RFS** | Ready For Service |
| **SEZ** | Special Economic Zone |
| **SSA** | Sub-Saharan Africa |
| **USD** | US dollar |
| **PUE** | Power Usage Effectiveness |
| **RFS** | Ready For Service |
| **SSA** | Sub-Saharan Africa |
| **YE** | Year end |

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