

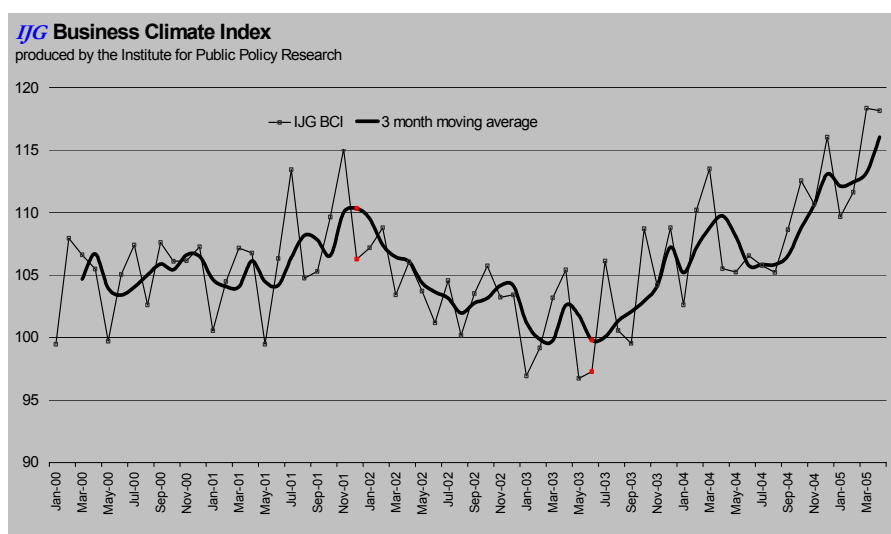


## The *IJJG* Business Climate Monitor for April 2005

produced by the Institute for Public Policy Research

The *IJJG* Business Climate Index roughly remained the same during the month of April, while some indices fell considerably. The *IJJG* Business Climate Survey results suggest a positive outlook for both groups of respondents in terms of employment and general perceptions of prevailing business conditions. They anticipate improvements on the above variables.

### The *IJJG* Business Climate Index for April 2005



*IJJG Business Climate Index* for April remained roughly unchanged. Other indices like the **Consumption Index** and the **Coincident Indicator** dropped by considerable margins. The BCI fell from 118.4 for March to 118.2 at the end of April thus falling by less than a point. This shows that business conditions generally remained the same. A decrease in corporate registrations and vehicle sales during April were some of the contributors to the substantial drop in some indices.

On a more positive note the **Leading Indicator** increase by twelve points thus signalling that the economy is likely to recover in the medium term.

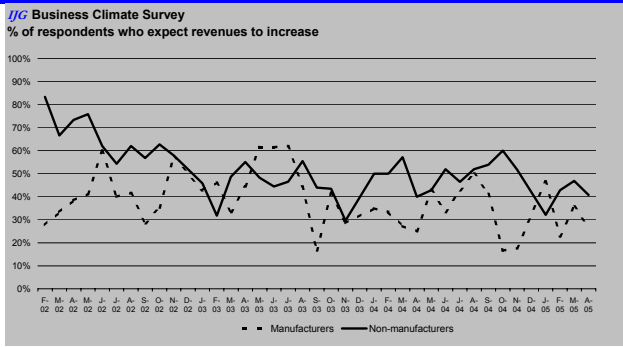
		April	March
<b>Business Climate Index</b>	▼	118.2	118.4
<b>Investment Index</b>	▼	150.8	152.7
<b>Consumption Index</b>	▼	98.7	113.7
<b>Export Index</b>	▼	94.8	96.6
<b>Leading Indicator</b>	▲	144.6	132.6
<b>Coincident Indicator</b>	▼	97.3	105.3

### The *IJJG* Business Climate Survey for April 2005

The *IJJG Business Climate Survey* asks 50 top businesses in Namibia across all major sectors of the economy to reply to four questions on revenues, employment, investment and prevailing business conditions. In addition to this sample, members of the Namibian Manufacturers Association (NMA) and the Namibia Chamber of Commerce and Industry (NCCI) were also surveyed. The IPPR received 42 responses for April 2005.

**Q1: How do you expect your revenues to change over the next 12 months: decrease, stay the same or increase?**

**Revenue collections expected to remain low for both groups.**

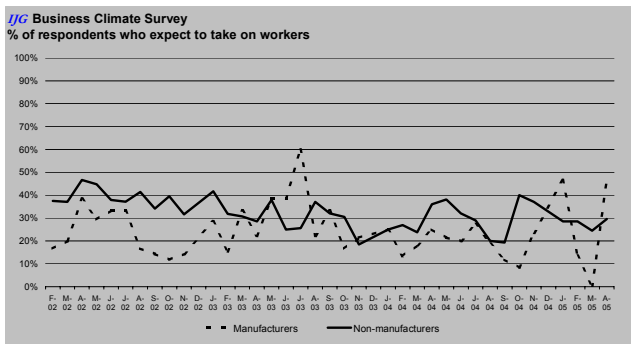


Of the 42 businesses that replied 24 expect revenues to stay the same, with 15 expecting revenues to increase while the remaining three anticipate a fall in revenue.

Revenue expectations fell for the both the manufactures and non-manufactures.

**Q2: How do you expect your workforce to change over the next 12 months: shed labour, remain the same or take on labour?**

**Both groups of respondents anticipate a positive outlook in terms of recruitment.**

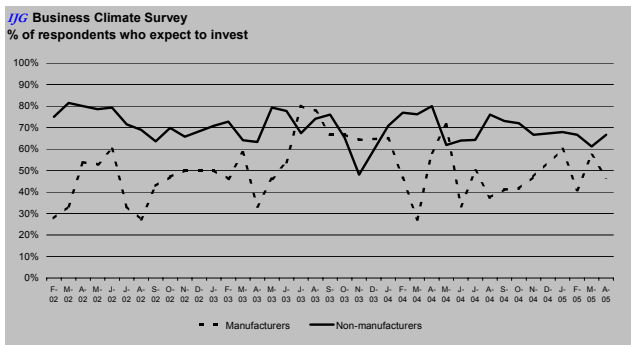


A total of 23 indicated that they do not expect any change in labour with 4 expecting to shed labour while the remaining 15 anticipates an increase in the workforce.

The proportion of businesses that are expecting to take on labour increased for both manufacturers and non-manufacturers, thus signalling possible increase in employment opportunities.

**Q3: Do you intend to invest in new plant and equipment (excluding inventories) over the next 12 months: yes or no?**

**Investment opportunities seem promising for some respondents.**

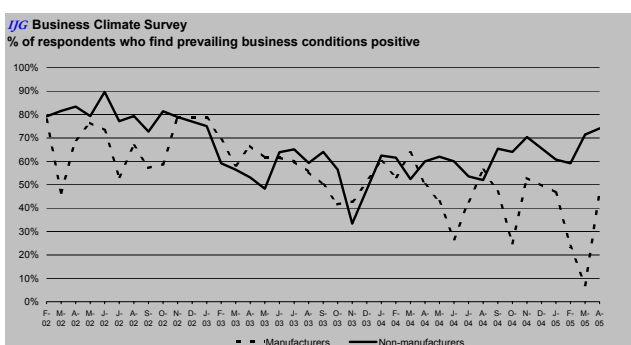


The number of businesses that expect to invest was 25, while 17 do not intend to invest over the next 12 months.

Investment opportunities improved somewhat for the non-manufacturers.

**Q4: How do you find prevailing business conditions for your business: very negative, negative, positive or very positive?**

**Prevailing business conditions are improving for both groups.**



A total of 26 businesses perceived prevailing conditions as positive, while a further 13 had a negative perception with one being very positive and the remaining two indicating a very negative perception.

Both groups of respondents seem to agree that prevailing conditions are encouraging as they both signalled improving business conditions.

