14 Nachtigal Street PO Box 6566 Ausspannplatz Windhoek Namibia Tel: +264 61 240514/5 Fax: +264 61 240516 info@ippr.org.na www.ippr.org.na

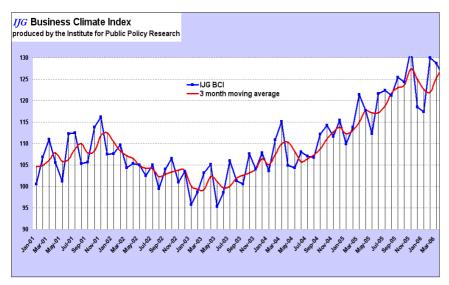


#### The IIG Business Climate Monitor for April 2006

Produced by the Institute for Public Policy Research

The *IJG* Business Climate Index for the month of April did not change direction as it further shed 3 points from the March figure of 128.6 points. Similarly, the survey revealed a somewhat negative business environment for both groups of respondents.

The IJG Business Climate Index, April 2006



The IJG Business Climate Index did not change direction following a decline in the month of March as it shed a further 3 points. A rise in oil prices and a drop in total corporate registrations as well as vehicle sales were chiefly responsible for the fall in the index. Similarly, a slow down in credit extension to businesses coupled with a drop in commercial vehicle sales and fewer registrations of defensive names saw both the leading and investment indices decline for the second month running, shedding 16.7 and 16.8 points, respectively. On the other hand, the export index with

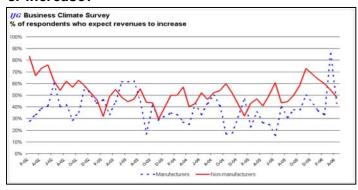
some support from a rather softer N\$ against the Euro continues to benefit from the buoyant metal market as it rose by 8 points.

		Monthly			Quarterly	
		April	March		1 <sup>st</sup> quarter 06	4 <sup>th</sup> quarter 05
Business Climate Index	_	125.6	128.6	<b>A</b>	125.4	125.0
Investment Index	_	149.0	165.8	_	159.9	164.9
Consumption Index	<b>A</b>	130.3	129.1	<b>A</b>	124.4	120.5
Export Index	<b>A</b>	117.4	109.3	<b>A</b>	107.2	103.2
Leading Indicator	_	152.8	169.5		159.1	153.9
Coincident Indicator	<b>A</b>	124.9	122.1	<b>A</b>	119.6	115.4

#### The **IJG** Business Climate Survey for February 2006

The *IJG 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) are also surveyed. For the April survey, a total of 36 questionnaires were returned of which 7 were from manufacturers.

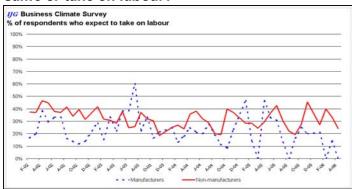
#### Q1: How do you expect your revenues to change over the next 12 months: decrease, stay the same or increase?



Pessimism in revenue expectation for nonmanufactures seems to continue as less than half (48%) expect revenue to increase in the next 12 months. Thus, April adds to three months during which proportion of non-manufactures the expecting an increase in revenue has been on the Correspondingly, the proportion of decline. manufacturers expecting an increase in revenue declined to 43% after a high of 86% in March. Overall, 47% expect their revenue to increase, down from 60% from the previous month. The rest

anticipate either no change (42%) or a decrease (11%).

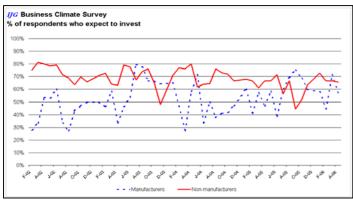
### Q2: How do you expect your workforce to change over the next 12 months: shed labour, remain the same or take on labour?



While the majority of respondents (64%) would prefer to keep their respective workforce unchanged, 17% anticipate layoffs in the next 12 months and thus a change from 10% in the previous month. Altogether, this translates in a reduction among those expecting to take on labour from 30% to 19% for the month under review.

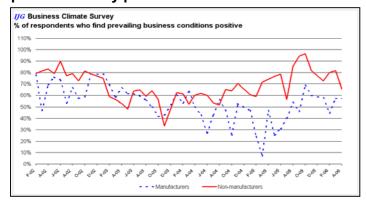
As can be observed from the adjacent graph, employment expectations from both groups of respondents retreated.

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



A slightly lower (64%) percentage of respondents expect to invest in the next 12 months, compared to 68% in the previous month. This owes mainly to a rather softer (57%) investment outlook on the 71% recorded in the previous month among manufacturers. No significant change was observed among non-manufacturers.

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



Over one third (36%) of respondents perceive current business conditions to be negative, and thus an increase from 23% in the previous month. Conversely, the level of optimism among non-manufactures declined with only 66% of respondents finding current business conditions to be generally positive compared to 82% in the previous month. The general perception among manufacturers remains unchanged from the previous month.