

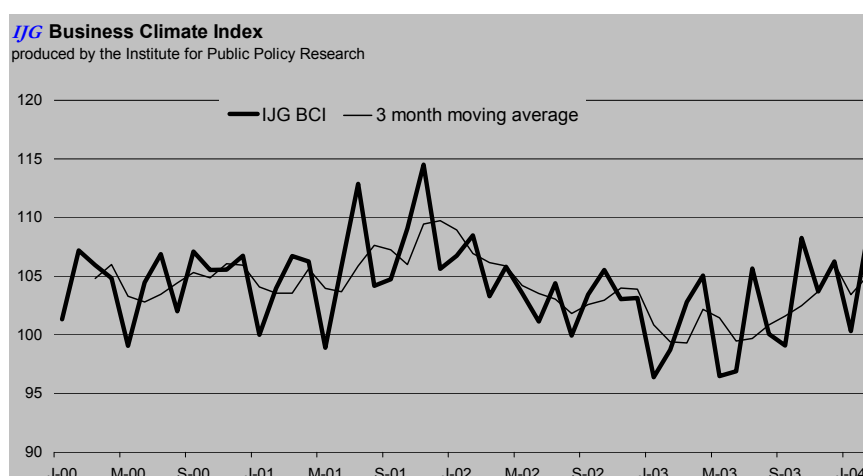


The *IJJG* Business Climate Monitor for February 2004

produced by the Institute for Public Policy Research

- The *IJJG* Business Climate Index rose by more than eight points suggesting that the economic outlook is improving.
- The *IJJG* Business Climate Survey suggests the overall business environment is starting to recover except for manufacturers.

The *IJJG* Business Climate Index for February 2004



After the decline in January the *IJJG Business Climate Index* bounced back jumping by more than 8 points to record 108.5. All the sub-indices rose too. Vehicle sales recovered from the seasonal effects of a quiet December and January and recorded strong positive growth. The NSX local index recorded one of its highest increases over the last two years. The increase in the local NSX index was attributed to the rise of the FNB Holdings share price from N\$ 4.50 to N\$ 5.00 during January

and February. Copper and zinc prices also recorded strong positive growth as did building plans and company registrations. Oil prices were one of the few negative factors this month rising more than US\$2 a barrel.

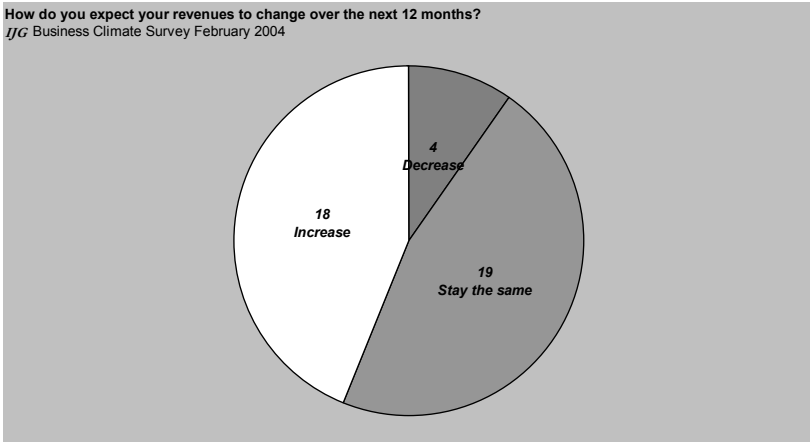
		February	January
Business Climate Index	▲	108.5	100.3
Investment Index	▲	126.0	109.3
Consumption Index	▲	105.4	101.9
Export Index	▲	102.0	100.9
Leading Indicator	▲	124.4	107.2
Coincident Indicator	▲	103.4	100.1

The *IJJG* Business Climate Survey for February 2004

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) are also surveyed. For this survey, we received a total of 41 responses.

Q1: How do you expect your revenues to change over the next 12 months?

Nearly half of the responding businesses expect revenues to stay the same.

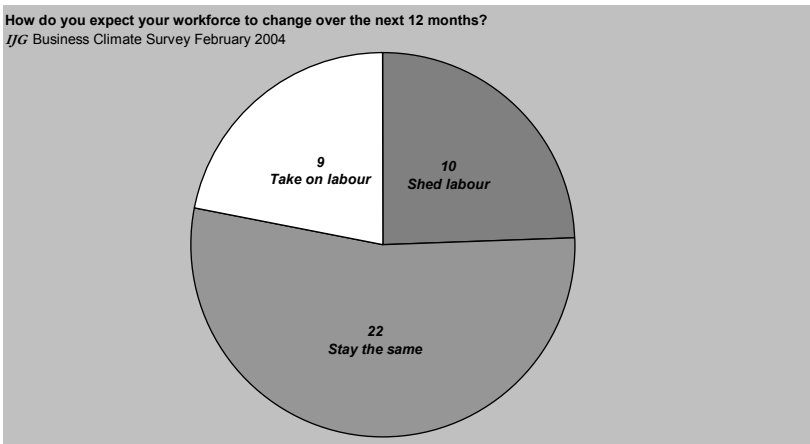


Firms were given a choice of three responses to the question on revenues: revenues could decrease, stay the same or increase.

Nearly half of the businesses that responded expect revenue to stay the same. Overall manufacturers gave more mixed responses with respect to revenue expectations, as only 5 expect revenues to increase while 8 expect revenues to stay the same. The remaining 2 indicated that they expect a decrease in revenues.

Q2: How do you expect your workforce to change over the next 12 months?

Over a half of the responding of the responding businesses expect on labour to stay the same.



Firms were given a choice of three responses to the question on employment: either they expected to shed labour, or their workforces were expected to remain the same, or they expected to take on labour.

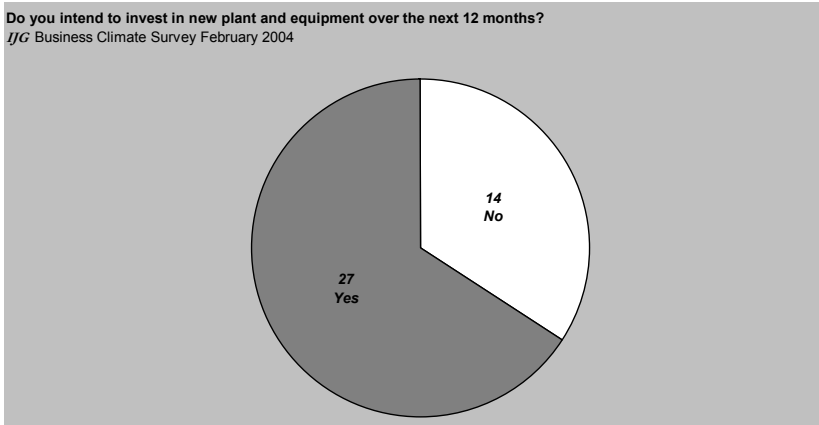
Over half of the responding businesses expect their workforces to remain the same. The manufacturers are less optimistic. Out of 15 responses, only 2 expect to take on labour, while 8 expect their workforce to stay the same. The remaining 4

expect to shed labour.



Q3: Do you intend to invest in new plant and equipment (excluding inventories) over the next 12 months?

Almost two-thirds of the respondents intend to invest in new plants and equipments.

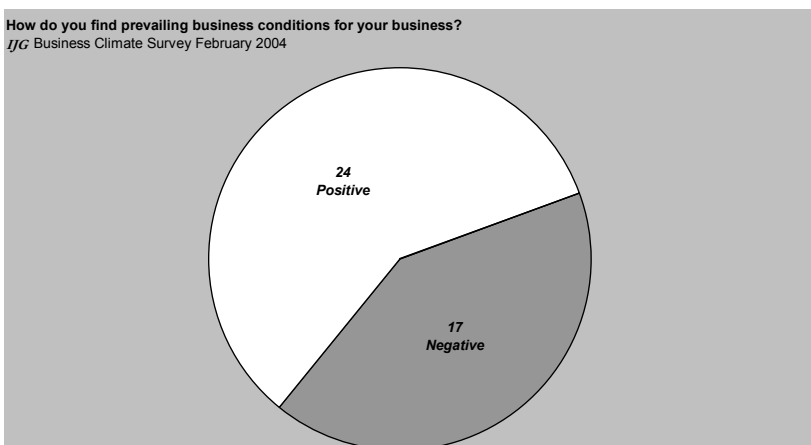


Firms could respond either that they intended to invest in new plant and equipment or that they did not intend to invest.

Almost two-thirds of the responding businesses intend to invest in new plant and equipment over the next 12 months. A total of 8 manufacturers indicated that they do not intend to invest while only 7 are optimistic about investments.

Q4: How do you find prevailing business conditions for your business?

More than half of the responding businesses perceive prevailing business condition as being positive



Firms were given a choice of four responses to the question on prevailing business conditions: very negative, negative, positive or very positive.

More than a half of the responding businesses perceive prevailing business conditions as being positive. Out of 15 responses that come from manufacturers, 8 respondents indicate that prevailing business conditions are positive with the remaining 7 stating that conditions are negative. None of

the manufacturers perceive prevailing business conditions to be very positive.

IPPR commentary for February 2004

IPPR commentary presents the views of the IPPR alone and not the sponsor.

The Minister of Finance and the Bank of Namibia predict real GDP growth in Namibia of 3.8% for 2004 and average inflation of 6.5%. Growth into 2005 and 2006 is forecast at a higher 4.4% and 4.1% respectively. The Bank of Namibia's comprehensive economic outlook for 2003/04 can be downloaded from the IPPR's website database on www.ippr.org.na.



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