

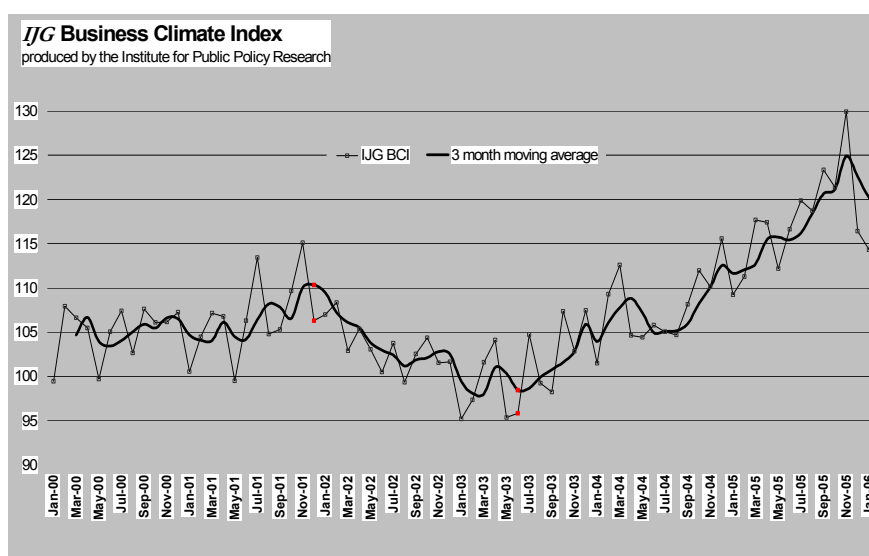


The *IYG* Business Climate Monitor for February 2006^{*}

produced by the Institute for Public Policy Research

Following two months in the negative territory, the *IYG* Business Climate Index rebounded in February, rising by more than 11 points. However, the survey revealed a rather subdued business environment among respondents, manufacturers in particular.

The IYG Business Climate Index for February 2006



The *IYG Business Climate Index* increased by 11.2 points rising to 125.5 in February from 114.3 at the end of January. An increase in corporate registrations, metal prices and the NSX during the month under review helped steer the overall index in a positive direction. The month of February also saw the international oil prices dropping which further aided the index.

Investment Index and *Leading Indicator* rose substantially aided by prevailing low interest and the expansion that is anticipated for the OECD area.

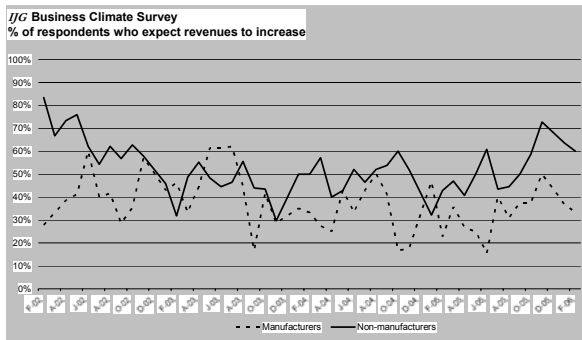
		February	January
Business Climate Index	▲	125.5	114.3
Investment Index	▲	161.7	138.4
Consumption Index	▼	113.6	115.1
Export Index	▲	109.1	105.4
Leading Indicator	▲	166.4	137.5
Coincident Indicator	▲	113.1	112.1

^{*} Please note that due to the availability of fresh data in total registrations of companies, close corporations and defensive names and some revision in Zinc future prices (3-month) as well as diamond price proxy, some Indices (BCI, Investment index, and Leading indicator) for the month of January were adjusted. Thus be advised that the Graph and Table in the current edition (February) shall take precedence over the January one. Accordingly, the analysis based on the respective graph and table in the January edition becomes null and void. As a corrective measure, a revised version of the January edition will be produced. However, survey results and analysis thereof remains unchanged. Our apologies for the inconvenience this might have caused to all our esteemed readers.

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) were also surveyed. February's survey response rate was very poor with only 24 businesses responding of which 9 were manufacturers.

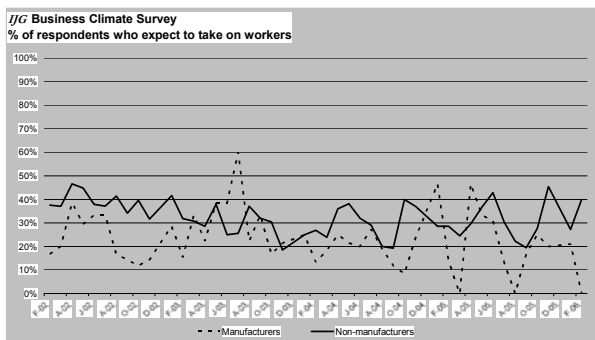
Q1: How do you expect your revenues to change over the next 12 months: decrease, stay the same or increase?



Half the respondents (12) expect revenues to increase, and 9 foresee no changes in revenues whereas the remaining 3 anticipate a decline.

As per the graph, the proportions of respondents expecting revenue increases in both groups have been in decline since November.

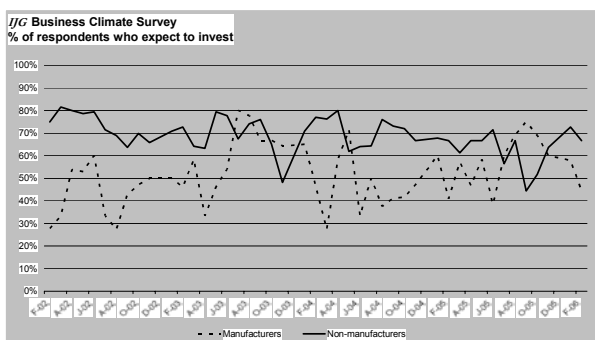
Q2: How do you expect your workforce to change over the next 12 months: shed labour, remain the same or take on labour?



A total of 15 respondents indicated that they expect labour to stay the same, 3 expect to shed labour while the remaining 6 stated that they expect to take on labour.

Among those expecting to increase the workforce, the response differs between manufacturers and non-manufacturers. Whereas former do not expect to take on additional labour, the latter shows an improvement compared to last month.

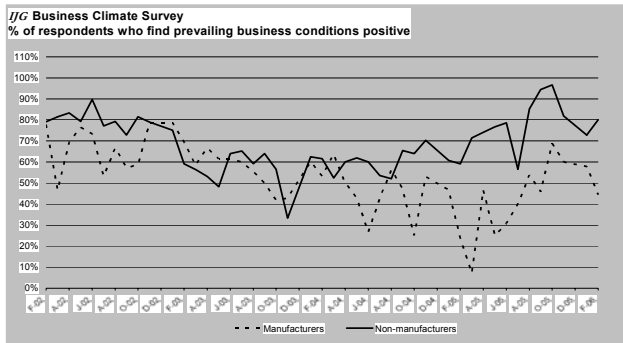
Q3: Do you intend to invest in new plant and equipment (excluding inventories) over the next 12 months: yes or no?



The investment outlook seems positive with more than half (58%) of the respondents indicating they would invest in the next 12 months. However, the proportion of businesses intending to invest is slightly lower compared to the previous month (63%).

Although both groups show a decline, it is the fourth consecutive month in which the proportion of manufacturers intending to invest has been lower.

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



Most of the manufacturers (66%) find the prevailing conditions to be less encouraging. In contrast, most non-manufacturers (80%) are optimistic, and thus an improvement from the previous month. Overall, the general optimism (67%) is slightly higher compared to the previous month (63%).

