

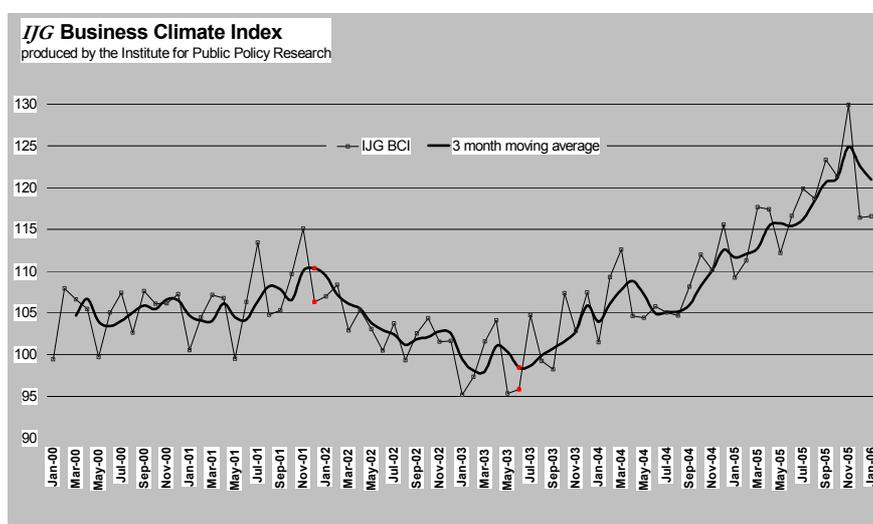


## The *IJG* Business Climate Monitor for January 2006 - Revised\*

*Produced by the Institute for Public Policy Research*

The *IJG* Business Climate Index for January 2006 declined for the second consecutive month, down to 114.3.

### The *IJG* Business Climate Index for January 2006



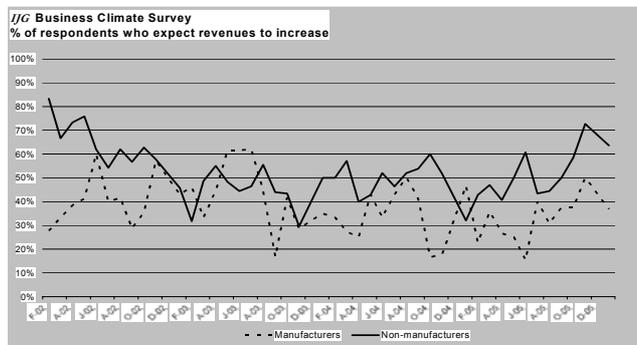
The *IJG Business Climate Index* began 2006 in the negative territory, dropping by 2.1 points to 114.3. This follows December's decline of more than ten points, which was mainly due to seasonal effects. The drop in the index for the month under review is attributable to lower corporate registrations and vehicle sales. In contrast, the **Coincident** and **Consumption indices** rebounded after a decline in December, whereas, improvement in meat prices helped the **Export Index** to remain in positive territory.

		January	December
<b>Business Climate Index</b>	▼	114.3	116.4
<b>Investment Index</b>	▼	138.4	146.4
<b>Consumption Index</b>	▲	115.1	114.1
<b>Export Index</b>	▲	105.4	104.1
<b>Leading Indicator</b>	▼	137.5	142.4
<b>Coincident Indicator</b>	▲	112.1	111.1

\*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. Similarly, the analysis based on the respective graph and table thereof became void. Due to the magnitude of changes, it was felt necessary to revise the January edition. 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 January 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. The IPPR received 30 responses for this survey of which 19 were manufactures.

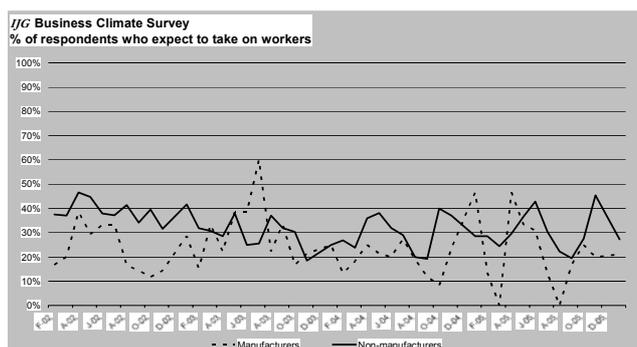
**Q1: How do you expect your revenues to change over the next 12 months: decrease, stay the same or increase?**



**About half of the respondents expect an increase in revenues**

A total of 14 businesses expect revenues to increase, with a further 13 respondents indicating that revenues would stay the same and the remaining 3 anticipating decreases in revenues.

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

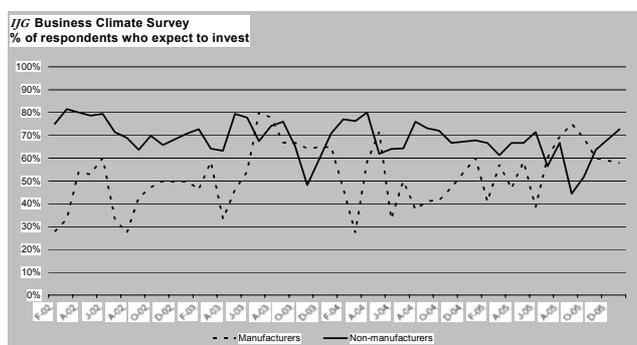


**Job creation prospects remain stable for the manufacturers.**

A total of 18 businesses expect to maintain current levels of employment while only 7 intend to take on additional labour with the remaining 5 expecting to shed labour.

Job creation optimism remained stable for the manufactures, an indication that they still have hope regarding new job prospects.

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



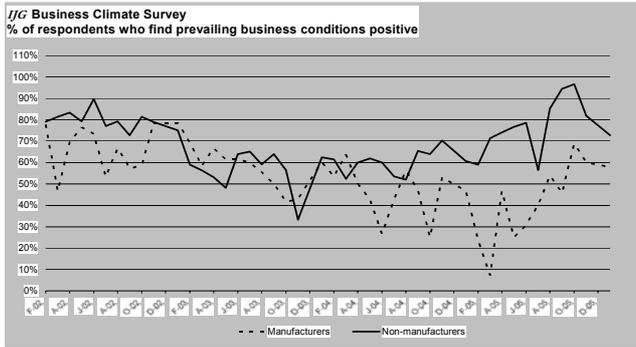
**Investment expectations are improving for non-manufacturers but deteriorating for manufacturers.**

Investment prospects have risen for the majority of the sample with a total of 19 businesses confirming their intention to invest in the near future and the rest indicating otherwise.

Investment expectations have improved significantly for non-manufacturers, but continue to fall for the manufacturing sector.



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



**More than half of the respondents optimistic about business conditions**

A total of 19 businesses perceived prevailing conditions as positive, while 11 had a negative perception. Meanwhile, none of the respondents were either very negative or very positive.

