



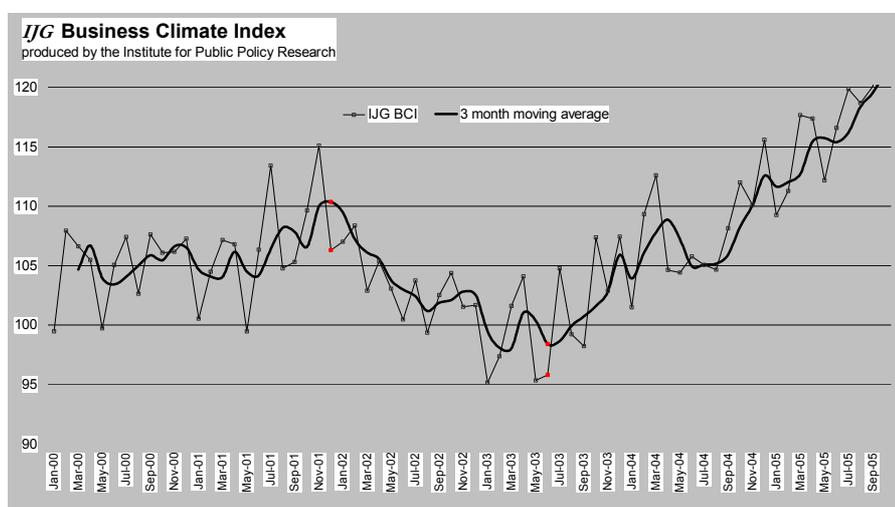
The *IJJG* Business Climate Monitor for October 2005

produced by the Institute for Public Policy Research

The *IJJG* Business Climate Index rose by more than five points between September and October. This is the largest one-month increase since February this year.

The Business Climate Survey suggests business sentiments continue to change, as significant majority of non-manufacturing firms expect revenues to increase, to increase their workforces, and they view prevailing business conditions as positive.

The *IJJG* Business Climate Index for October 2005



The *IJJG Business Climate Index* rose to 125.1 in October from 120.1 in September suggesting that the overall business climate continues to improve. The 3-month moving average also rose. October's improvement can be almost entirely attributed to stronger sales of commercial vehicles and a significant drop in international oil prices in US dollars.

Commercial vehicle sales also helped raise both the Investment Index and the Leading Indicator. The Consumption Index was the only index that dropped.

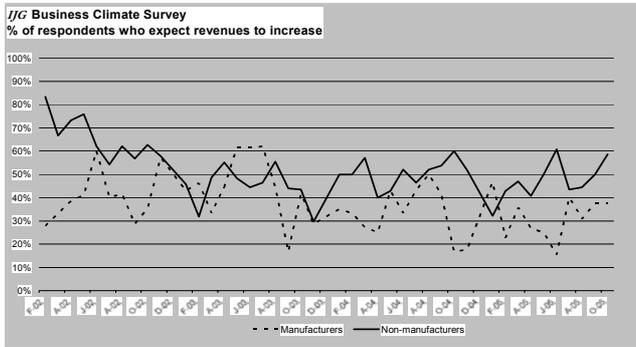
		October	September
Business Climate Index	▲	125.1	120.1
Investment Index	▲	168.0	157.6
Consumption Index	▼	112.3	114.9
Export Index	▲	103.0	99.4
Leading Indicator	▲	151.3	148.8
Coincident Indicator	▲	114.7	109.2

The *IJJG* Business Climate Survey for October 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) are also surveyed. The IPPR received 45 responses for October 2005.

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

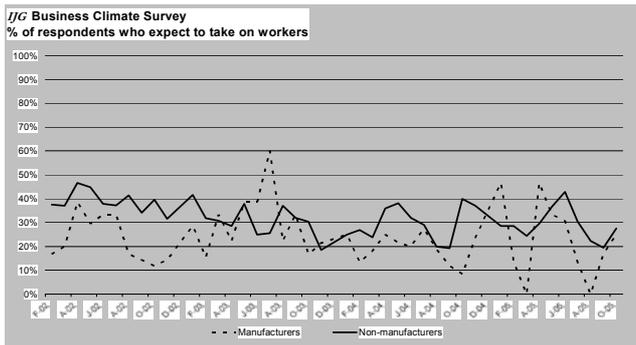
Revenue's expectations continue to improve for the non-manufacturers.



Out of 45 responses, 23 expect revenues to increase while 17 expect revenues to stay the same and only 5 expect revenues to fall. Non-manufacturers were more positive about increment in revenue.

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

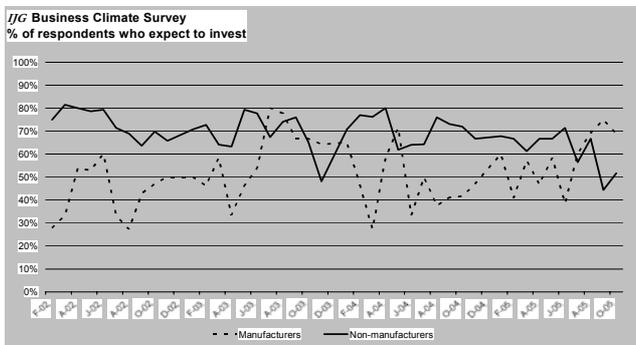
Job creation prospects improved marginally for non-manufacturers.



For October 12 out of 45 firms expect to take on labour. Only 5 expect to shed labour while 28 expect their workforces to remain the same. Non-manufacturers were slightly upbeat.

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

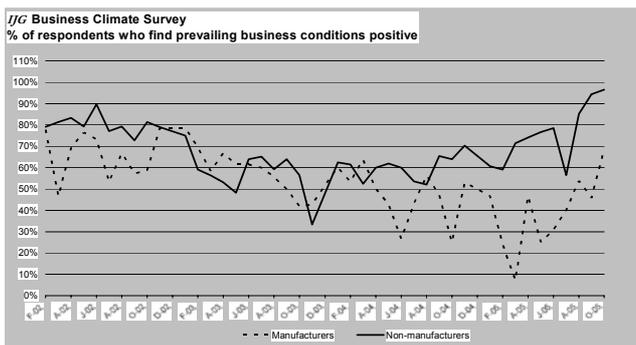
There has been no improvement in investment prospects for the manufacturers.



A total of 26 respondents intend to invest in new plant and equipment with the rest (19) indicating otherwise. Majority of the manufacturers, however, do not intend to invest.

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

Business perceptions have drastically increased for the non-manufacturers.



Out of 45 responses, only 27 perceive prevailing business conditions as positive and 15 were negative. One respondent was very positive and two were very negative. Non-manufacturers continued from where they left off last month by collectively giving a much-improved perception about business conditions.

