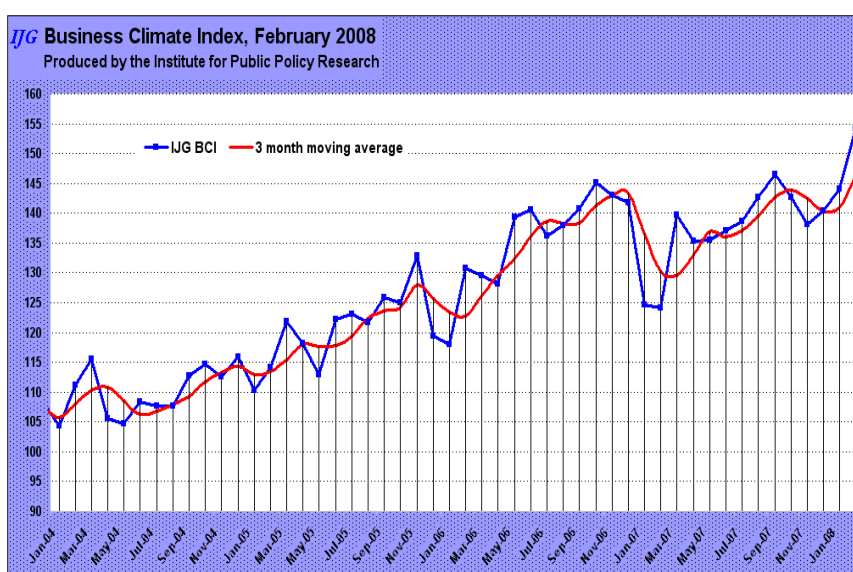




The *IJG* Business Climate Monitor for February 2008 Produced by the Institute for Public Policy Research

The *IJG* Business Climate Index surges to 154.3 points as metal prices continue to recover and vehicle sales rebound

The month of February saw a number of price shifts on both the domestic and international markets, with oil prices leading the pack as OPEC signalled there was to be no change to current production levels of crude oil. Locally, fuel prices at service stations went up by an average of 30 cents a litre. Annual inflation rose to 7.9%, with food and transport costs playing a dominant role. However, these were not enough to restrain the *IJG Business Climate Index* as it surged to a record 154.3 points, thereby consolidating a good start to the year. Once again, much of the movement in the *Index* could be attributed to a recovery in metal prices, an increase in new business registrations (defensive names in particular), a rebound in total vehicle sales (65 more units sold), as well as the depreciation of the Namibia dollar against the Euro. Altogether, these made sure that all sub-indices remained in positive territory for the month under review.



Looking ahead, it remains to be seen whether the current momentum will be sustained as the fundamentals remain tipped towards the downside. On the domestic front, rising interest rates and inflation (fuelled by high electricity and fuel costs) do not show any signs of retreating, whereas an expected slow down in major economies, the USA in particular, remains a concern to exporters.

		Monthly			Quarterly	
		Feb '08	Jan '08		4 th quarter '07	3 rd quarter '07
Business Climate Index	▲	154.3	144.0	▼	140.4	142.6
Investment Index	▲	200.1	188.1	▲	181.9	177.6
Consumption Index	▲	119.3	112.6	▼	118.2	119.7
Export Index	▲	150.6	139.2	▼	133.6	142.0
Leading Indicator	▲	221.4	172.5	▼	183.6	193.1
Coincident Indicator	▲	136.1	127.5	▼	127.6	131.8