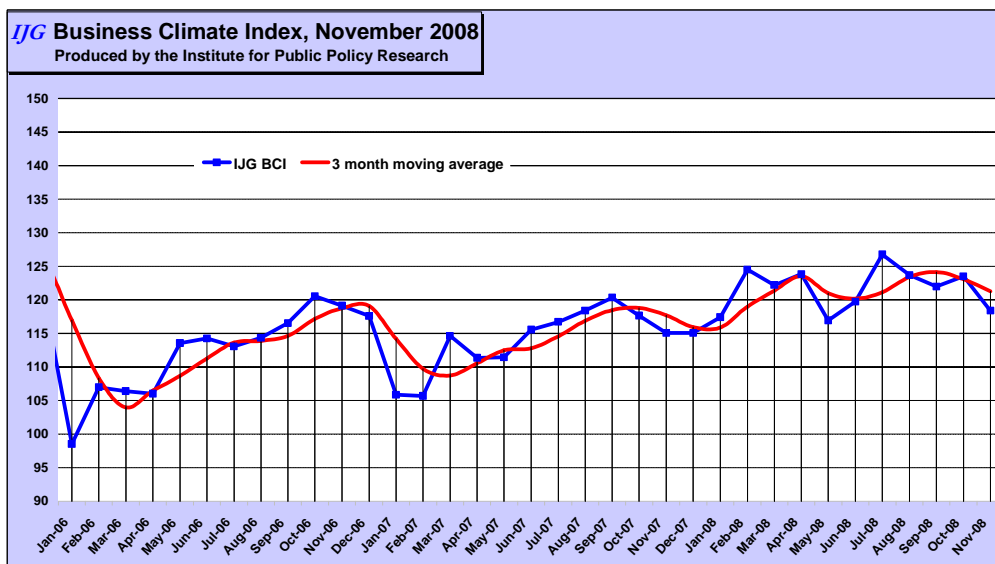




The *IJG* Business Climate Monitor for November 2008 Produced by the Institute for Public Policy Research

The *IJG* Business Climate Index declines further as the global crisis impacts Namibia

The *IJG Business Climate Index* shed 5.1 points during the month of November as weaker global demand and private consumption dampened sentiment. The copper price dropped by 10% and zinc price dropped 8% in November, while livestock prices moved sideways. Such commodities account for 60% of the country's exports receipts. Lower export volumes and lower export prices are expected to outweigh the effects of a



depreciating currency on export trade. Job losses, particularly in the mining industry, began to become a reality and have a knock-on effect in support industries. The resulting job insecurity hit consumer confidence. Lower international fuel prices did little for consumer confidence, as private sector credit extension to individuals dropped by 5% and passenger vehicles sales dropped by 26%. In this regard, the consumption index shed 5 points going into the festive season.

The investment index took a hammering, shedding 14.1 points, driven by a 17% decline in business registrations and a 20% decline in the number of commercial vehicles purchased. Many businesses were responding to subdued demand, given the current high cost of lending, and therefore did not see the need to invest in expansion in the current economic conditions.

Going forward, the business climate is expected to remain subdued for the remainder of 2009. Consumer expenditure has long been the vanguard of economic growth and its recovery will be crucial in 2009. Lower inflation and lower fuel prices are expected to provide some support to consumer confidence in the second half of 2009.

		Monthly			Quarterly	
		Oct '08	Nov '08		3 rd quarter '08	4 th quarter '08
Business Climate Index	▼	123.5	118.4	▼	124.2	121.0
Investment Index	▼	155.3	141.2	-	148.3	148.3
Consumption Index	▼	91.2	85.7	▲	85.4	88.5
Export Index	-	123.2	123.2	▼	129.6	123.2
Leading Indicator	▼	147.1	136.4	▼	143.3	141.8
Coincident Indicator	▼	103.7	101.7	▼	107.3	102.7