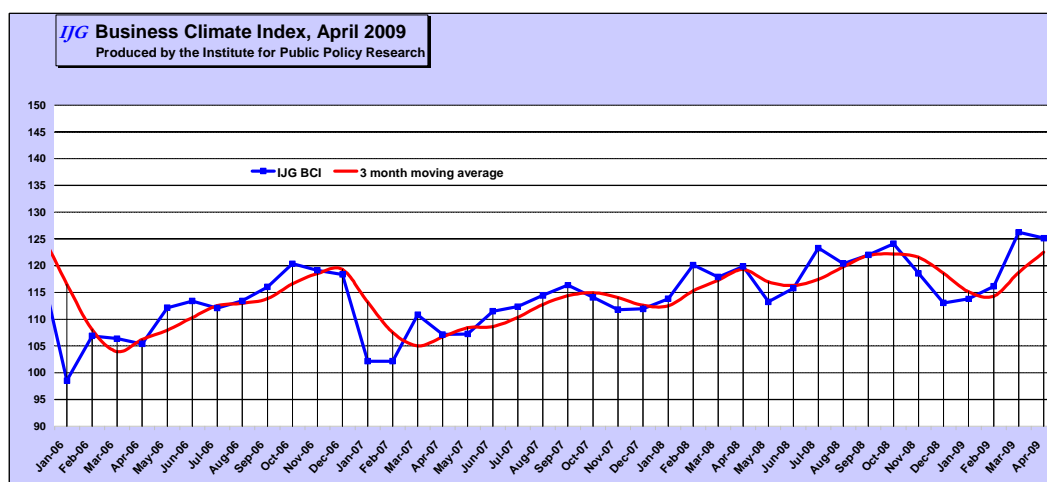




The *IJG* Business Climate Monitor for April 2009 Produced by the Institute for Public Policy Research

The *IJG* Business Climate Index drops for the first time in 2009

After a very good first quarter, the *IJG Business Climate Index* shed 1.1 basis points as economic conditions in the global economy worsened, dragging down the export index by 5.5 basis points in the process. Currency fluctuation added to exporters' woes, with local prices tumbling on the back of a stronger



Rand. This was most evident in the fishing industry, where prices in local currency dropped by 13%. The mining sector was a bit more fortunate, with rising international metal prices cushioning currency fluctuations to a certain extent. Even though international metal prices surged 10%, this translated into 6% decline in local currency on the back of a stronger Rand. The investment index's four month rally came to an abrupt end shedding 6.7 basis points in April, despite record breaking company registrations (1,416). Company registrations alone lifted the investment index by 8 basis points and the *IJG Business Climate Index* by 4.4 basis points, otherwise the overall index would have fallen by 5.5 basis points. Building plans passed hit a nine year low and Credit extension to businesses was also down despite the 100 basis points interest rate cut. Consumers on the other hand are showing early signs of emerging from a three year slump, with the consumption index hitting a 20 month high rising by 0.5 basis points. Support for the consumption index came from credit extension to individuals, the stronger rand and more interest rate cuts. But this level of consumer optimism is hardly sufficient to lift business sentiments as the April figures are hardly encouraging. All indices, with the exception of the consumption index, were on the back foot in April and even though the preliminary Q209 figures are better than the Q109 figures, the leading indicator points to tough times ahead. Exports will remain under pressure due to the stronger Rand and lower global output, which is expected to shrink by 1.3% in 2009. This will weigh down on business sentiments in Namibia going forward.

		Monthly			Quarterly	
		Mar '09	Apr'09		Q1'09	Q2'09
Business Climate Index	▼	126.2	125.1	▲	118.7	125.1
Investment Index	▼	160.2	153.5	▲	140.5	153.5
Consumption Index	▲	92.6	93.4	▲	90.0	93.4
Export Index	▼	122.4	116.9	▼	120.6	116.9
Leading Indicator	▼	169.2	146.5	▼	148.6	146.5
Coincident Indicator	▼	99.7	97.5	▲	96.6	97.5