

# **BANK OF NAMIBIA**

**QUARTERLY BULLETIN**

**DECEMBER 2007**

**VOLUME 16**

**No.4**

Registered Office

71 Robert Mugabe Avenue  
P.O. Box 2882  
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NAMIBIA

### **Bank of Namibia**

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ISBN: 99916-61-42-5

# Bank of Namibia

## Corporate Charter

### VISION

*“Our vision is to be a centre of excellence - a professional and credible institution - working in the public interest, and supporting the achievement of the national economic development goals”.*

### MISSION

*“In support of economic growth and development our mandate is to promote price stability, efficient payment, systems, effective banking supervision, reserves management and economic research in order to proactively offer relevant financial and fiscal advice to all our stakeholders”.*

### VALUES

*“Our values guide us to be a center of excellence, and we value our contribution to the organization”.*

*We uphold integrity, impartiality, open communication and transparency.  
We care for each other's well-being and value teamwork.*

## LIST OF ABBREVIATIONS

BoN	Bank of Namibia
CBS	Central Bureau of Statistics
CMA	Common Monetary Area
CPI	Consumer Price Index
CPIX	Consumer Price Index excluding mortgage loans (South Africa)
DMS	Debt Management Strategy
ECB	European Central Bank
EU	European Union
Euro	European Union currency
EUROSTAT	European Union Statistical Office
FoB	Free on Board
GC07	Government internal registered stock maturing in 2007
GC08	Government internal registered stock maturing in 2008
GC10	Government internal registered stock maturing in 2010
GC12	Government internal registered stock maturing in 2012
GC15	Government internal registered stock maturing in 2015
GC24	Government internal registered stock maturing in 2024
GDP	Gross Domestic Product
IMF	International Monetary Fund
IRS	Internal registered stock
M2	Broad Money supply
MoF	Ministry of Finance
N\$	Namibia Dollar
NAD	Namibia Dollar
NCPI	Namibia Consumer Price Index
NEER	Nominal effective exchange rate

## LIST OF ABBREVIATIONS (CONTINUED)

NFA	Net Foreign Assets
NFL	Net Foreign Liabilities
NPLs	Non-performing Loans
NSX	Namibia Stock Exchange
ODCs	Other Depository Corporations
OPEC	Organization for petroleum exporting countries
Q1	Quarter 1
Q2	Quarter 2
Q3	Quarter 3
Q4	Quarter 4
REER	Real Effective Exchange Rate
RHS	Right Hand Side
LHS	Left Hand Side
Repo	Repurchase rate
RSA	Republic of South Africa
SA	South Africa
SACU	Southern Africa Customs Union
SARB	South African Reserve Bank
SOE	State owned enterprise
Stats SA	Statistics South Africa
T-bills	Treasury bills
UK	United Kingdom
US	United States
USD	United States Dollar
US\$	United States Dollar

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## 1. SUMMARY OF ECONOMIC CONDITIONS

The world economy grew strongly in the first half of 2007, registering a growth of above 5 percent. The main drivers of the global economic expansion were mainly emerging market economies, including low income countries in Africa, making the expansion broad based. The recent global financial market turmoil following the crisis in the subprime mortgage market in the US, increased the down side risk which implicates lower growth for 2008.

The Namibian economy appears to have slowed during the third quarter of 2007 due to mixed developments observed in various economic sectors of the domestic economy during the third quarter of 2007. The value added of sectors such as, construction, wholesale, retail trade and repairs, transport, storage and communication, hotels and restaurants and producers of government services showed positive growth rates albeit slower than the comparable period of the preceding year. Electricity and water and manufacturing sector however, grew briskly during the quarter under review. On the other hand, the agriculture, hunting and forestry, fishing and mining and quarrying sectors recorded declines due to seasonal, technical and geological factors.

Headline inflation in Namibia subsided slightly towards the end of the third quarter of 2007, amidst increases in oil prices in the global markets and domestic food prices. The average quarterly inflation rate slowed to 6.9 percent during the third quarter of 2007, marginally lower than 7.0 percent recorded during the preceding quarter. The major components of NCPI which contributed to the slowdown were transport and miscellaneous goods and services, amongst others, while prices for the food and non-alcoholic beverages category continued to rise.

Despite the tightened domestic monetary policy stance, broad money supply (M2) recorded a relatively higher quarterly growth rate at the end of the third quarter of 2007. This was evidenced in an expansion in the growth of domestic claims on account of an increase in the net claims on the Central Government; supported by a rise in the net foreign assets of the banking system as a result of the prevailing excess liquidity.

The Central Government debt stock declined significantly during the second fiscal quarter of 2007/08, reaching a level of 24.6 percent of GDP. The decrease was significant because it is below the fiscal target of 25 percent of GDP set in the Debt Management strategy (DMS). This partly resulted from the redemption of the GC07 in July 2007. Contingent liabilities of Central Government continued trending downwards since the fourth quarter of 2006/07, adding to the rosy outlook.

The balance of payments for Namibia continued recording a surplus during the third quarter of 2007, though both the current account surplus and capital and financial account deficit narrowed.

The afore-mentioned economic developments in Namibia are positive, but the outlook is threatened by volatility in oil prices and shortages in certain food products.





## 2. INTERNATIONAL ECONOMIC DEVELOPMENTS<sup>1</sup>

According to the October 2007, World Economic Outlook of the IMF, the world economy grew strongly in the first half of 2007, registering a growth of above 5 percent. However, the recent global financial market turmoil, following the crisis in the subprime mortgage market in the US, has increased the downside risk, leading the IMF to reduce its global forecast for 2008. The main drivers of the global economic expansion were mainly emerging market economies, particularly China, India and Russia which accounted for one half of global growth over the past year. Furthermore, robust expansion also continued in other emerging markets and developing economies, including low income countries in Africa. The recent global growth is not only high and less volatile, but is also broadly shared across countries (Table 1).

Due to continued uncertainty in the Middle East and stronger demand, especially from China, oil prices are expected to remain high, thus posing risks to inflationary pressures and global growth. At the same time, commodity prices are expected to moderate from the recent record highs. These developments can have adverse implications for the Namibian economy going forward.

**Table 1: Real GDP growth (Year – on-year) selected economies**

	2005	2006					2007				2008
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Annual*	Annual*
USA	3.1	5.6	2.6	2.0	2.5	2.9	0.6	3.8	3.9	1.9	1.9
Euro-zone	1.5	2.8	2.0	2.4	3.3	2.8	3.1	2.5	2.6	2.5	2.1
UK	1.8	2.4	2.8	3.0	3.2	2.8	3.1	3.1	3.1	3.1	2.3
Japan	1.9	3.4	2.2	1.5	2.3	2.2	2.4	1.3	2.6	2.0	1.7
China	10.4	10.4	11.5	10.6	10.4	11.1	11.1	11.5	11.5	11.5	10.0
South Africa	5.1	5.0	5.5	4.5	5.6	5.0	4.7	4.5	5.1	4.9	4.5

Source: Statistical Offices, IMF World Economic Outlook October 2007, IMF Article IV Consultation Reports, 2006 and 2007, CBC, \* Projections.

In the US, real GDP grew by 4.9 percent, on a quarter-on-quarter basis during the third quarter of 2007 compared to a growth of 3.8 percent registered during the second quarter. On a year-on-year basis, real GDP grew by 2.8 percent in the third quarter of 2007 (Table 1). This represents a moderate increase relative to a 2.4 percent growth registered during the corresponding quarter of 2006. Looking ahead, for 2007 annual real GDP growth in the United States is expected to slow to 1.9 percent from 2.9 percent in 2006, mainly due to the downturn in the housing market which continued to affect the economy negatively. In 2008, the US economy is expected to register the same growth as in 2007. The average inflation excluding energy and food in the US rose to 2.5 percent in the third quarter, following increases of 2.3 percent during the first and second quarters of 2007, respectively.

<sup>1</sup> This section is based on information obtained from various sources such as Global Insight, the EU Statistical Office (Euro Stats), the US Bureau of Economic Analysis and Statistics South Africa amongst others.

Quarter-on-quarter, the Japanese economy registered a growth of 0.6 percent during the third quarter of 2007 from a decline of 0.4 percent in the second quarter of 2007. Real GDP grew by 2.6 percent, on a year-on-year basis, during the third quarter of 2007, underpinned by higher corporate investment and brisk exports to emerging markets. Going forward, the Japanese economy is forecast to slow to an annual growth of 2.0 percent during 2007 from 2.2 percent in 2006. Beyond 2007, the outlook for the Japanese economy remains restrained, with real GDP growth expected to slow to 1.7 percent during 2008 mainly due to a slowdown in the global economy underpinned by the financial market turmoil.

In the Euro zone, Real GDP grew by 0.7 percent, quarter-on-quarter in the third quarter of 2007. Growth had previously slowed markedly by 0.3 percent in the second quarter of 2007, which was the weakest performance since the first quarter of 2005. On a year-on-year basis, Real GDP grew by 2.6 percent during the third quarter of 2007, compared to 3.3 percent during the corresponding quarter of 2006. The improvement in GDP growth during the third quarter of 2007 was mainly ascribed to strengthening business investment and a relatively strong performance in consumer spending. Similar to developments in Japan, growth for the Euro area was forecasted to slow to 2.5 percent in 2007 from 2.8 percent in 2006. Underpinning this positive, albeit low, growth are expected higher export earnings and expenditure on investment. For 2008, it is projected that GDP growth for the Euro area will be 2.1 percent. There are downside risks to the outlook particularly the negative effect of the turmoil in the US subprime mortgage sector on European financial markets, due to the exposure of a number of European banks to this market. Annual inflation in the Euro area rose to 2.6 percent in October 2007 from 2.1 percent in September.

Real GDP in the UK slowed by 0.7 percent quarter-on-quarter, during the third quarter of 2007 compared to a growth of 0.8 percent registered during the second quarter of 2007. The decrease in growth during the third quarter of 2007 was due to the weakness in the mining and quarrying sector which declined by 1.3 percent during the quarter under review. On a year-on-year basis, real GDP rose by 3.1 percent during the third quarter of 2007. This compares to a growth of 3.0 percent registered during the third quarter of 2006. Inflation increased by 1.8 per cent in September, the same as in August. The largest upward effect on the annual inflation rate originated from the food and non-alcoholic beverages category.

China's economic growth rate eased to 11.5 percent, year-on-year, in the third quarter of 2007 from 11.9 percent recorded during the second quarter of 2007. Accounting for the robust growth rate are developments in exports and accelerated investment. Going forward, the economy is expected to register an annual growth rate of 10.5 percent in 2008. The main downside risk to the outlook is the continued global financial market turbulence. Annual Inflation eased to 6.2 percent in September 2007, from a more than a decade high of 6.5 percent in August 2007 due to slower gains in food prices.

In South Africa, real GDP grew, on a quarter-on-quarter basis, by 4.7 percent during the third quarter of 2007, following a slowdown of 4.4 percent registered during the second quarter of 2007. On a year-on-year basis, South Africa's real GDP rose by 5.1 percent during the third quarter of 2007 which compares well to a growth of 4.4 percent recorded during the corresponding quarter of 2006. The key contributors to the increase in economic activity during the third quarter of 2007 were sectors such as finance, real estate and business services, wholesale and retail trade, hotels and restaurants, construction, transport, storage and communication, as well as general government services. The economy is projected to

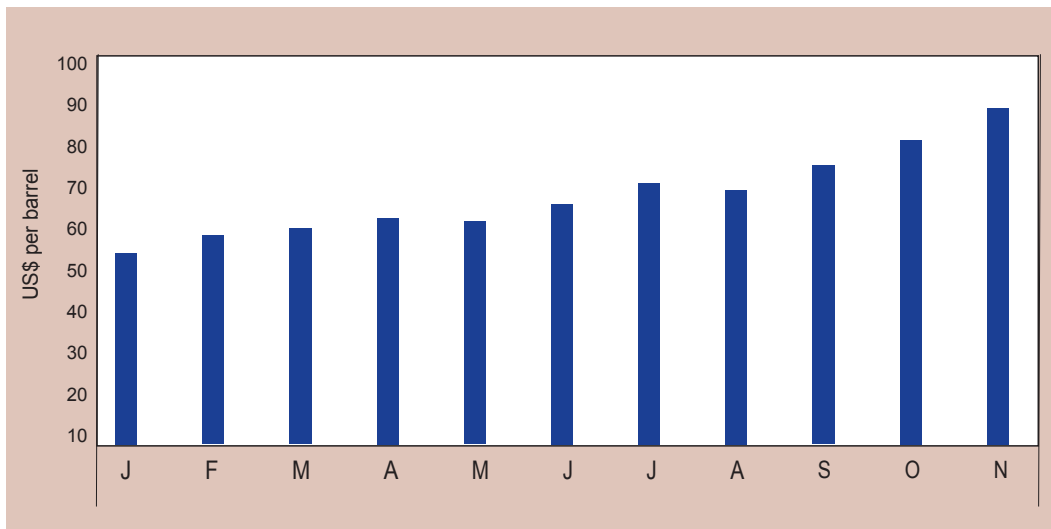
slow to 4.9 percent in 2007 and 4.5 percent in 2008, respectively. The expected slowdown in 2008 is mainly attributed to the impact of a tighter monetary policy stance, as well as the expected slower growth in developed economies.

Inflation in South Africa excluding mortgage costs as measured by the CPIX increased to an average of 6.5 percent in the third quarter of 2007 from an average of 6.4 percent in the second quarter of 2007. The rise in inflation in the third quarter was mainly attributed to increases in the transport sub-category due to rising international oil prices as well as rises in food prices. In September, the CPIX increased to 6.7 percent from 6.3 percent in August 2007. The major upside risks to the inflation outlook remains oil and food prices.

The producer price index (PPI) for all commodities, a key indicator of future inflation trends, slowed to 9.7 percent in the third quarter from 10.9 percent during the second quarter of 2007. This is mainly due to decreases in the production prices of the categories such as basic metals, chemicals and chemical products as well as transport equipment amongst others.

The major downside risks to the global economic outlook remain the financial market turmoil which could deepen and trigger a more pronounced slowdown. Additional risks to the outlook include potential inflationary pressures, volatile oil prices, and the impact of strong foreign exchange inflows into emerging market economies. Due to supply constraints, especially from non-OPEC countries, solid global economic growth as well as geopolitical developments, particularly in the Middle East, crude oil price surged from an average of US\$54 per barrel in January 2007 to reach an average peak of US\$95 per barrel in November 2007 (Chart 1.1).

**Chart 2.1 Crude Oil Prices - 2007**

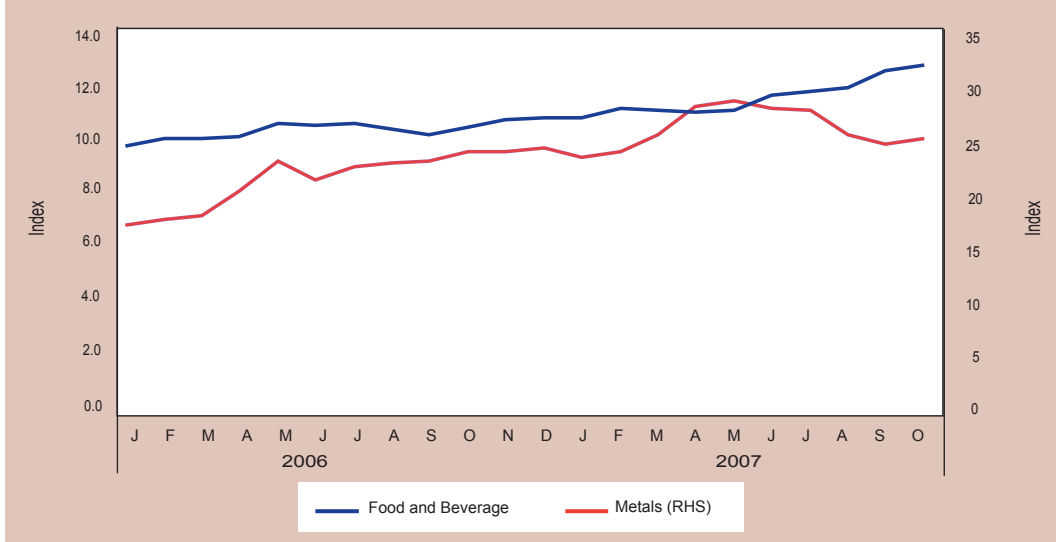


Source: Bloomberg

Similar to developments in crude oil prices, many commodity prices rose significantly during 2007. This is particularly well pronounced in the price indices of food and metals (Chart 1.2). The key factor underpinning the increase in food prices is the higher demand

for biofuels<sup>2</sup> from the United States and the European Union. Similarly, metal prices have largely increased on account of robust demand from major emerging market economies, especially China and to a certain extent India.

**Chart 2.2 Selected Commodity Prices Indices for 2007**



Source: IMF

<sup>2</sup> Biofuels refer to fuel derived from organic matter (obtained directly from plants or indirectly from agriculture, commercial, domestic and/or industrial wastes) instead of from fossil products.

### 3. REAL SECTOR AND PRICE DEVELOPMENTS

#### 3.1 REAL ECONOMIC DEVELOPMENTS<sup>3</sup>

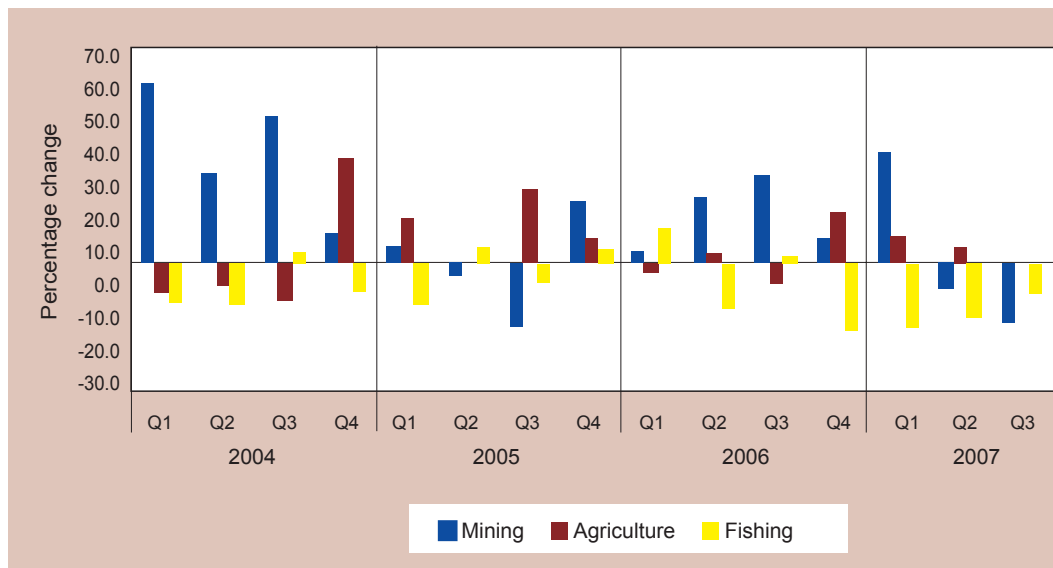
Based on available economic indicators, the Namibian economy appears to have slowed during the third quarter of 2007. This was a result of mixed developments observed in various economic sectors of the domestic economy during the third quarter of 2007. The value added of sectors such as, construction, wholesale, retail trade and repairs, transport, storage and communication, hotels and restaurants and producers of government services showed positive growth rates albeit slower than the comparable period of the preceding year. Electricity and water and manufacturing sector, however, grew briskly during the quarter under review. On the other hand, the agriculture, hunting and forestry, fishing and mining and quarrying sectors recorded declines due to seasonal, technical and geological factors.

#### 3.2 SECTORAL DEVELOPMENTS

##### Performance of the primary industry

Due to seasonal, technical and geological reasons, the performance of the primary industry, comprising agriculture, fishing and mining and quarrying was rather subdued during the third quarter of 2007. The value added of all sub-sectors contracted compared to the corresponding quarter of the preceding year (Chart 3.1).

Chart 3.1 Growth rates in the primary industry



Source: CBS

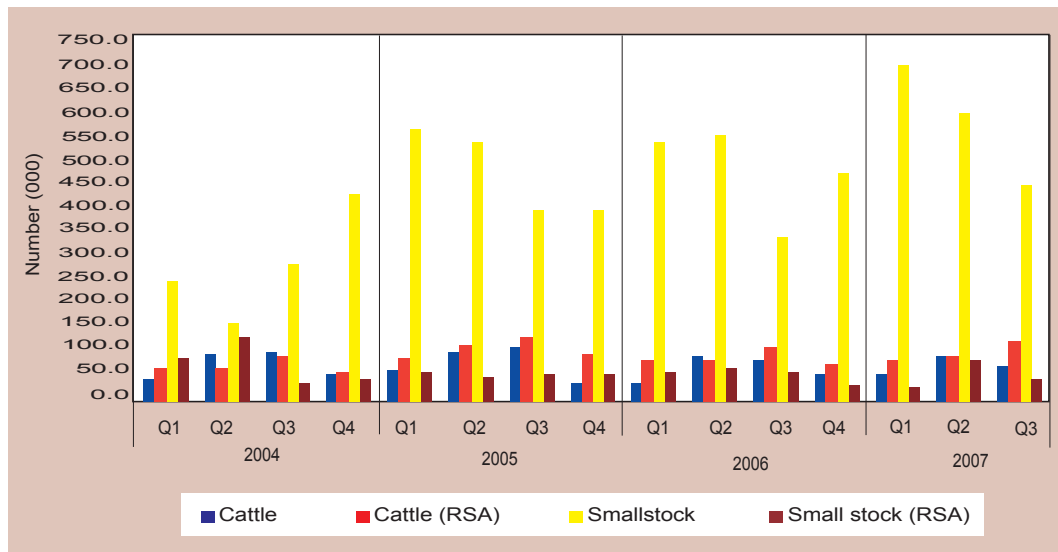
<sup>3</sup> All the growth rates reported in this section are year-on-year unless otherwise stated.

**Agriculture**

The value added of the agricultural sector recorded a decline during the third quarter of 2007 as reflected in livestock marketed (Chart 3.2). The sector registered a slight decline of 0.1 percent during the third quarter of 2007, following a growth of 5.7 percent during the preceding quarter. This was, however, lower than a much higher decline of 6.7 percent observed during the corresponding quarter of 2006. The decline in the sector was reflected in both the number of cattle marketed locally and the number of small stock marketed to South Africa. The number of cattle marketed to South Africa, as well as the number of small stock sold in the local market, on the other hand, rose. This could, however, not bring about a growth in the sector due to the small weight allocated to them.

The number of cattle marketed declined by 14.4 percent during the third quarter of 2007 from a slow growth of 0.5 percent during the preceding quarter. A further decline of 21.6 percent was recorded on a quarter-on-quarter basis. The poor outcome of cattle marketed could be attributed to the general lack of cattle, which are market ready in the country. This phenomenon caused a reduction in beef export especially to the international market. The number of cattle marketed to South Africa rose by 11.9 percent during the third quarter of 2007 from 8.9 percent recorded during the preceding quarter. The increase in cattle marketed to South Africa is expected to slowdown because farmers have started to restock following the general peak in livestock marketed during the April to July period, and in anticipation of a better rainy season.

**Chart 3.2 Number of livestock marketed**

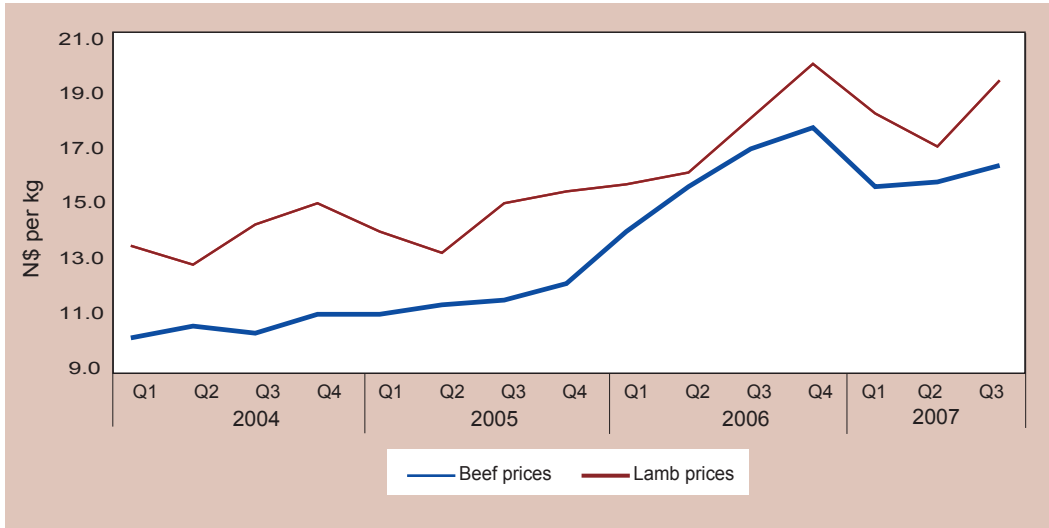


Source: Meat Board

On the other hand, the number of small stock marketed to South Africa declined by 23.1 percent during the third quarter of 2007, while an increase of 25.7 percent was recorded during the preceding quarter. This happened despite a drought relief incentive given to the small stock farmers, allowing them to export 20 percent more than what was slaughtered during 2006. It was, however, observed that the number of small stock marketed locally increased by 31.4 percent during the third quarter of 2007, following an increase of 8.4

percent during the second quarter of 2007. This development could be attributed to the increase in the prices of lamb as indicated in chart 3.3. The increase in the number of small stock marketed is, however, expected to slow during the fourth quarter of 2007 due to thousands of small stock loss due to the rain induced cold weather in October 2007.

**Chart 3.3 Beef and lamb prices (quarterly averages)**



Source: Meat Board

### Fishing

The poor performance of the fishing industry observed since the end of 2006 continued during the third quarter of 2007, albeit at an improved rate. The value added for the fishing industry declined by 9.8 percent in the third quarter of 2007, which was better than a decline of 18.1 percent recorded in the preceding quarter. The contraction was, however, higher when contrasted against a growth of 2.9 percent witnessed during the corresponding quarter of 2006. The improvement in the value added of this sector was due to a significant increase in pilchard landings of 206.5 percent during the third quarter of 2007, relative to the corresponding period during 2006. Responsible for this increase was the result of management and conservation measures of the pilchard resources undertaken during preceding years. A remarkably growth of 73.0 percent was also registered in the value added of crabs.

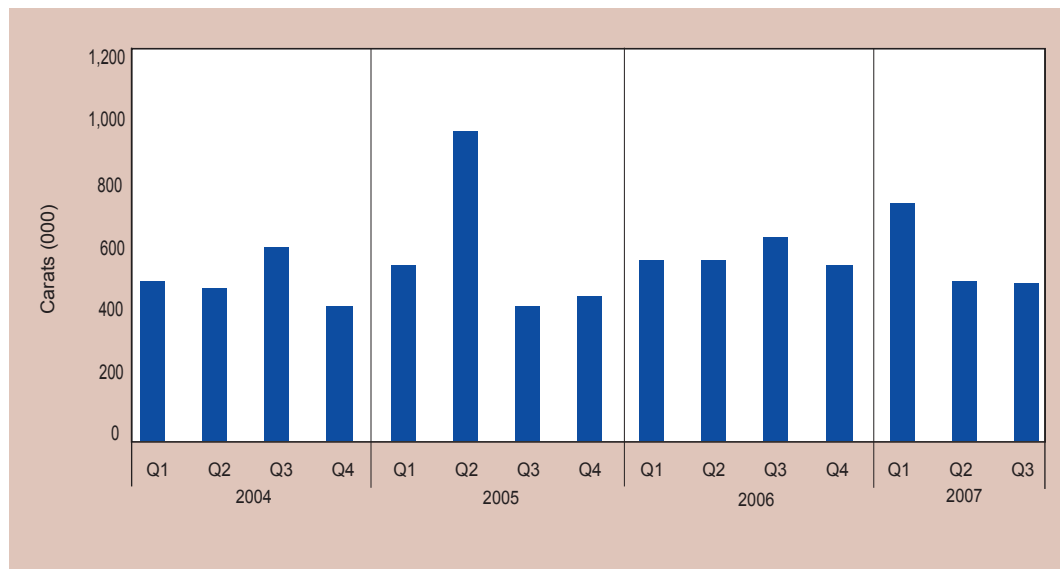
The decline in the overall value added of this sector was heavily influenced by other fish species such as orange roughy, alfonsino, hake and especially by the horse mackerel species due to the impact of conservation and management measures which prohibit fishing in certain areas. Moreover, general environmental factors of the Benguela current which is not bringing enough fish not only in Namibia, but also in Angola and South Africa also contributed to the poor performance. To this effect, a joint committee has been formed to better regulate and manage resources among the countries which rely on the Benguela current for the fish resources.

**Mining and quarrying**

The overall activities of the mining sector continued to be poor during the third quarter of 2007 amidst high prices prevailing in the international markets. The value added of the mining sector declined by 20.0 percent from a lower decline of 8.9 percent recorded during the preceding quarter in comparison to an increase of 29.6 percent during the corresponding quarter of 2006. This has mainly been as a result of continuing decline in the production of diamonds since the second quarter of 2007.

The value added of the diamond sector declined by 23.1 percent, higher than a decline of 9.2 percent recorded during the preceding quarter (Chart 3.4). The sharp decline has been caused by the outbreak of fire at one of the plants of one of the major diamond companies, as well as the closure of another diamond plant, which disrupted the production and thereby, lower production.

**Chart 3.4 Diamond production**



Source: Ministry of Mines and Energy

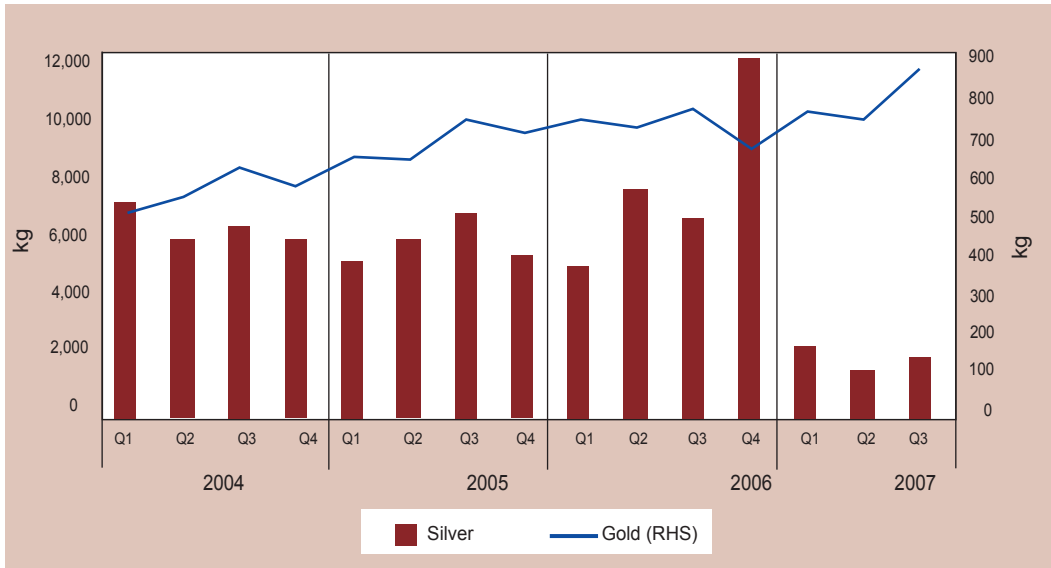
The value added of other minerals such as uranium, copper, silver, lead, zinc, marble, granite, fluorspar and common salt also declined during the third quarter of 2007, while that of gold increased. The value added of gold grew by 13.2 percent during the third quarter of 2007 in comparison to the growth of 3.0 percent recorded during the preceding quarter. The production of gold rose despite the slowdown due to the mechanical breakdown observed at one of the gold mining companies which disrupted production activities. Accounting for the increase was the prices of gold which increased by 30 percent during the third quarter of 2007. This is due to the high global demand for gold as a result of the ongoing crisis in the financial market. Consequently, safe haven investors resorted to gold as shown by inflows into gold exchange traded fund.

The output of copper and silver also declined. The value added of copper declined by 2.8 percent during the third quarter of 2007. Further, the value added of silver, a by product of copper declined by 67.0 percent which is an improvement from a decline of 75.8 percent



recorded during the second quarter of 2007 (Chart 3.5). Accounting for the decline was the operational changes resulting from substituting the high value copper concentrate, which is very expensive with a low valued concentrate from Mauritania and Bulgaria during 2007, as it is viewed cheaper and hence more profitable (Chart 3.6).

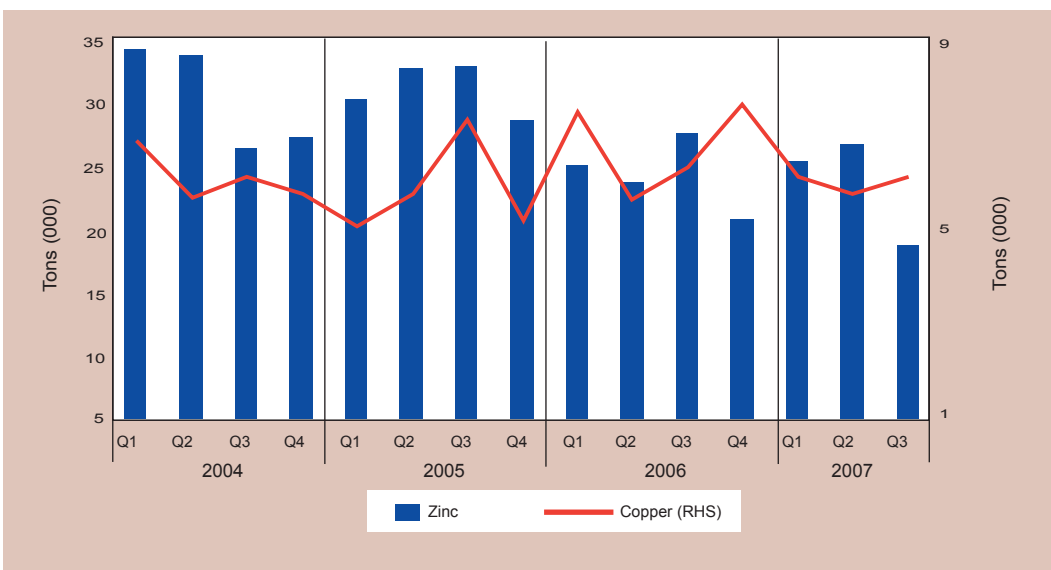
**Chart 3.5 Gold and silver production**



Source: Ministry of Mines and Energy

Similarly, the value added of zinc also declined by 32.7 percent during the third quarter of 2007 compared to an increase of 14.7 percent recorded during the preceding quarter (Chart 3.6). The decline was mainly due to the shut down of one of the plants at one of the zinc mines.

**Chart 3.6 Zinc and copper production**



Source: Ministry of Mines and Energy

**Performance of the secondary industry**

The analysis covers the electricity and water, construction and manufacturing sectors. The performance of the secondary industry was encouraging during the third quarter of 2007, as mirrored in the positive growth rates observed in the construction and electricity and water and manufacturing sectors.

**Construction**

During the third quarter of 2007, construction activities continued to grow at a healthy pace, albeit, slower than during the preceding quarter (Chart 3.7). The value added of this sector increased by 10.1 percent, a slowdown from a growth of 29.8 percent registered during the second quarter. It is also inferior in comparison to a 23.3 percent growth recorded during the third quarter of 2006. The slowed growth was reflected in indicators such as imports of cement and building plans passed. Import of cement slowed to a quarterly growth rate of 7.3 percent from a much higher growth of 22.1 percent during the second quarter. In addition, the number of building plans passed recorded a decline of 26.3 percent during the third quarter. The construction sector grappled with constraints imposed by the high interest rates which discouraged consumers from buying and building new properties.

**Chart 3.7 Growth rates in the construction sector**



Source: CBS

**Electricity and water**

The electricity and water sector displayed a stronger performance during the third quarter of 2007. Growth in the sector’s value added improved significantly from 2.1 percent during the second quarter to reach a growth of 16.6 percent in the third quarter of 2007 while the corresponding quarter of 2006 witnessed a decline of 12.6 percent. The relatively stronger performance was reflected in the increased electricity generation by Nampower, which recorded an expansion of 39.1 percent during the third quarter of 2007, following a growth

of 7.8 percent during the previous quarter. The increase in the production of electricity was necessary in order to make up for the shortfall in imports of electricity from ESKOM.

### **Manufacturing**

Following a rather subdued performance since 2006, the manufacturing sector gained momentum in the third quarter of 2007. Value added of the manufacturing sector posed a firm expansion of 9.2 percent during the quarter under review. The increase was remarkably higher than that of 2.4 percent recorded during the preceding quarter and a decline of 7.3 percent at the same time in 2006. The increase was observed in the manufacturing of food and beverages and that of other manufacturing.

### **Manufacturing of food and beverages**

A strong performance of the manufacturing of food and beverages was experienced during the third quarter of 2007. The value added for the manufacturing of food and beverages increased by 12.5 percent in the third quarter of 2007 compared to a fall of 9.9 percent at the same time in 2006. The year-on-year, increase was mainly due to the increase in the fish processing due to the pilchard processing into cans during the quarter. An improvement was also observed in the manufacturing of beverages, as well as other food products.

### **Manufacturing excluding food and beverages**

The value added of manufacturing excluding food and beverages increased by 5.7 percent during the third quarter of 2007 in comparison to a contraction of 3.9 percent recorded at the same time during 2006 as well as that of 16.8 percent recorded during the preceding quarter. The increase in this sector was mainly attributed to the fabricated metal products which increased by 67.5 percent due to high demand of those products in the international market. The value added of processing basic metals also rose by 18.0 percent as a result of increased processing of zinc and copper due to high international prices.

In addition, the textiles, wearing apparel, clothing category also showed a growth of 2.6 percent despite a slowdown in the activities of one of the major textile companies. It was, however, lower than a growth of 16.1 percent recorded at the same time during 2006. Responsible for the slowdown in this category was the closure of several garment manufacturers which was caused by low demand from the export markets, coupled with the cheap textiles imports from China. It was, further observed that the manufacturing of wood, paper, printing, publishing, chemicals, rubber, plastic and non metallic mineral products poised weak performances. The contraction in these sub-sectors, however, was not enough to impact negatively on the overall sector.

### **Performance of the tertiary industry**

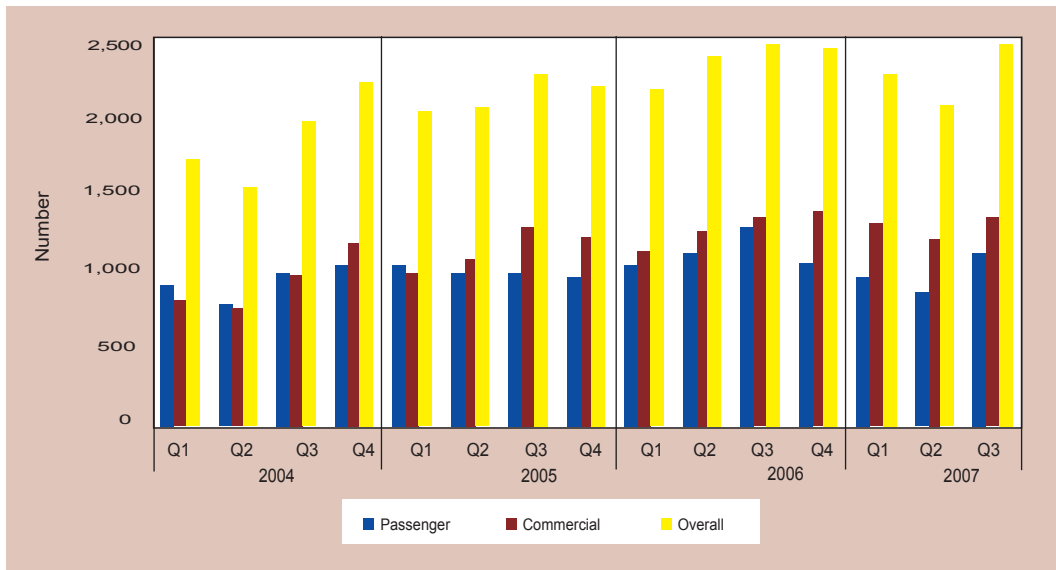
The tertiary industry covers services sectors such as wholesale, retail trade and repairs, transport storage and communication, hotels and restaurants as well as producers of government services. All these sectors portrayed positive performances during the third quarter of 2007.

**Wholesale, retail trade and repairs**

The value added of the wholesale, retail trade and repairs continued to increase during the third quarter of 2007 although at a slower pace. The value added of this sector recorded a growth of 8.8 percent during the third quarter of 2007 compared to an increase of 10.4 percent during the second quarter of 2007 and a growth of 12.9 percent registered during the corresponding quarter of 2006. The slow down could be attributed to the increased interest rates resulting from tight monetary policy in order to minimize the consumer inflation. To this effect, financing of consumer goods has become costly. Consequently, the overall number of vehicles sold decreased by 0.3 percent, year-on-year, with passenger vehicles declining by 12.9 percent, although that of commercial vehicles increased slightly by 0.1 percent. The increase in the sale of commercial vehicles could be attributed to the discounts offered for light commercial vehicles. This move would have a positive impact on the economy as it serves as an incentive to increase economic activities.

On the quarter-on-quarter basis, however, the overall number of vehicles sold increased remarkably by 19.0 percent with the number of passenger vehicles sold increasing by 29.8 percent while that of commercial vehicles increased by 11.3 percent, (Chart 3.8). This development could be explained by the introduction of the new car models in the market coupled with attractive discount offers by commercial banks.

**Chart 3.8 Number of vehicles sold**



Source: Simonis Storm

**Transport, storage and communication**

Notwithstanding the escalating fuel prices, the transport, storage and communication sector continued to register positive, although, subsiding growth rates. The value added of the sector increased by 10.1 percent during the third quarter of 2007, lower than the growth rates of 27.1 percent and 13.6 percent recorded during the preceding and corresponding

quarters, respectively. Despite the prevailing high petrol prices, transport services remained buoyant especially at the Namibian ports. Likewise, the mobile and telecommunications services, as well as the post services showed better performances as more competitive products and services were introduced due to the entrance of a new competitor in the market.

### Hotels and restaurants

Activities in the hotels and restaurants sector, a proxy for the tourism sector showed an improvement in the midst of escalating crude oil prices which have affected the cost of travelling, both domestically and internationally. The value added of the hotels and restaurants registered a growth of 8.3 percent during the third quarter of 2007, from a contraction of 11.4 percent recorded during the preceding quarter. The improvement in this sector was a direct result of the launch of the centenary event of the Etosha National Park during the third quarter of 2007, which attracted both local and international tourists.

### Producers of Government services

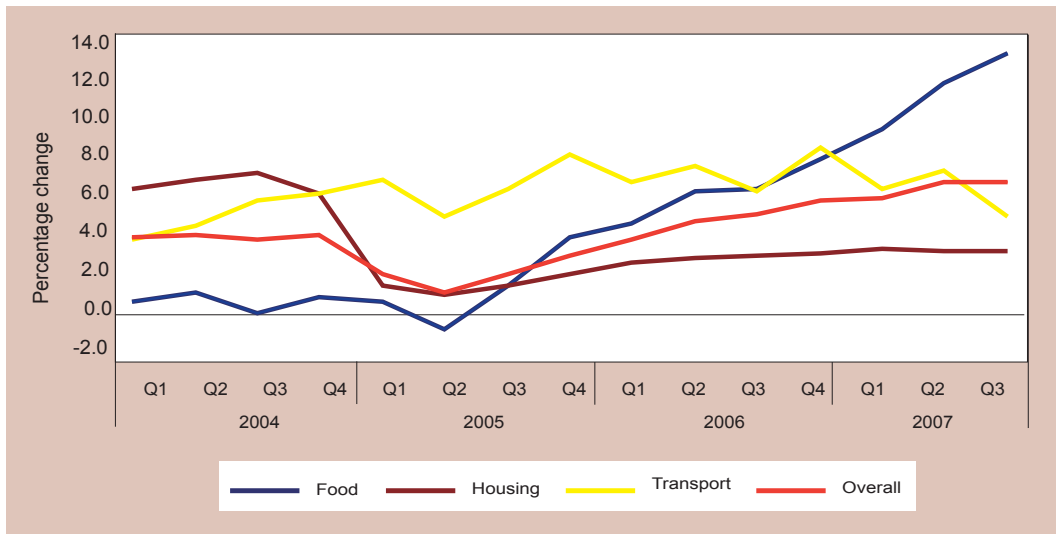
The value added of the producers of government services remained the same for the three consecutive quarters of 2007 at 0.4 percent against a decline of 1.2 percent recorded at the same time in 2006. The constant rate is mainly reflected in the personnel expenditure which remained the same for the reviewed period. This picture supports the Government's efforts to keep personnel expenditure at the same level.

## 3.3 PRICE DEVELOPMENTS

A slight moderation in headline inflation was observed in Namibia towards the end of the third quarter of 2007, amidst increases in oil prices in the global markets and domestic food prices. The international oil prices rose from an average of US\$66.13 a barrel in the second quarter to US\$73.57 a barrel during the third quarter, while domestic food prices rose to a quarterly average of 13.5 percent from 11.9 percent during the same period.

The average quarterly inflation rate slowed to 6.9 percent during the third quarter of 2007. This is marginally lower than 7.0 percent recorded during the preceding quarter, but higher than that of 5.3 percent during the corresponding quarter of 2006. The components of NCPI which contributed to the slowdown observed in overall inflation were mainly the *transport and miscellaneous goods and services*, amongst others, while prices in the *food and non-alcoholic beverages* category continued to rise (Chart 3.9).

Chart 3.9 Annual inflation (quarterly averages)



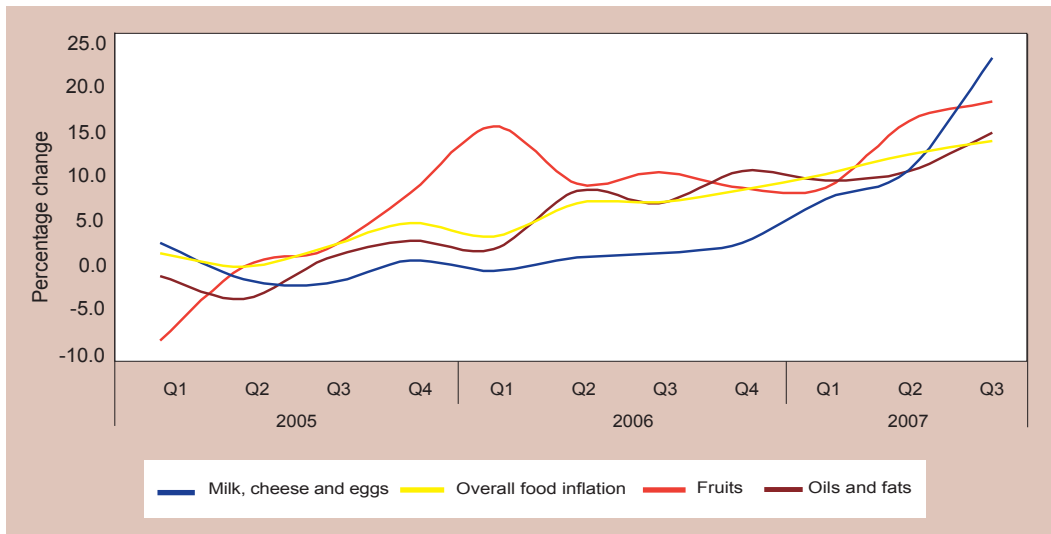
Source: CBS

The annual inflation rate of the transport category slowed to a lower average of 5.2 percent during the third quarter of 2007 from 7.5 percent recorded during the previous quarter. The moderation in transportation prices during the quarter is attributed to the public transportation services sub-group, which recorded low inflation throughout the quarter. This observation emerged from a decline in air fares possibly affected by the currency appreciation during the quarter.

The upward trend witnessed in prices for the food and non-alcoholic beverages category, which commenced towards the end of 2006, continued during the third quarter of 2007 (Chart 3.10). The quarterly average inflation for food rose from 11.9 percent during the second quarter to 13.5 percent during the quarter ending September 2007. An average rate of 6.6 percent was recorded during the corresponding quarter of 2007. The increase was mainly due to price rises in the sub-groups *milk, cheese and eggs, oils and fats* and *vegetables, including potatoes and other tubers*.

The inflation of milk, cheese and eggs have more than doubled from an average increase of 10.7 percent during the preceding quarter to 24.3 percent during the third quarter of 2007. The same sub-group recorded a much lower quarterly average inflation rate of 0.8 percent during the third quarter of 2006. This trend is a consequence of milk supply shortages in the dairy industry worldwide during 2007, which is driven by a combination of climate change and declining production from the leading dairy producers in the EU and Oceania.

Chart 3.10 Food inflation (quarterly averages)

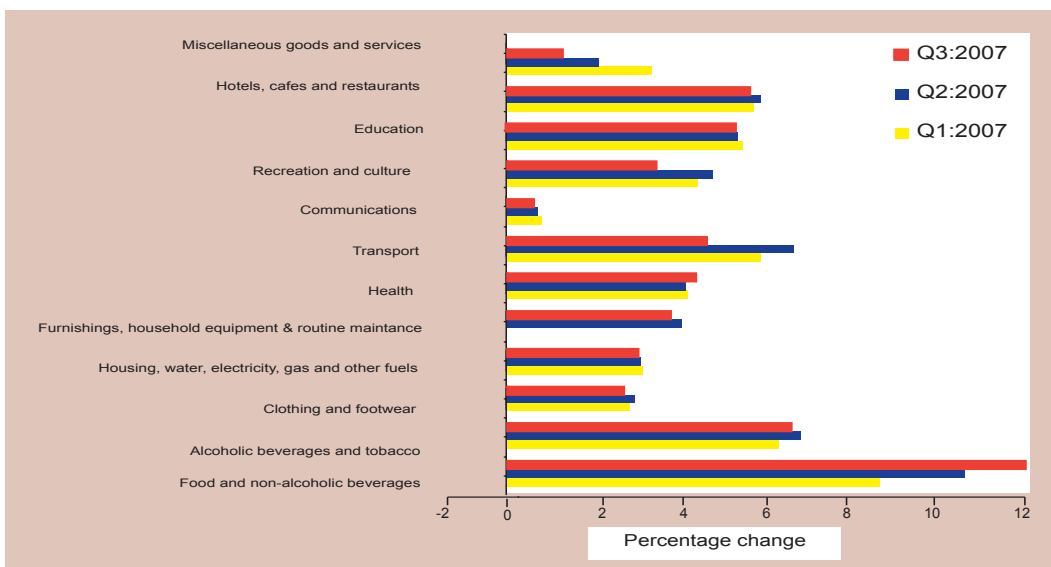


Source: CBS

In the remaining major components of the NCPI basket, only the *health* category registered an increase from an average of 4.6 percent during the preceding quarter to 4.9 percent during the third quarter of 2007. Slowdowns were, however, observed in all the other categories with the exception of the *education* category which remained constant at an average of 6.0 percent average (Chart 3.11).

Inflation for the *housing, water, electricity, gas and other fuels* category slowed slightly to 3.4 percent during the third quarter compared to 3.5 percent recorded during the previous quarter. This is, however, still higher than the average rate of 3.2 percent witnessed during the corresponding quarter of 2006. The decline was reflected in the sub-groups *rental payments for dwellings* and *electricity gas and other fuels*.

Chart 3.11 Inflation in the major NCPI categories



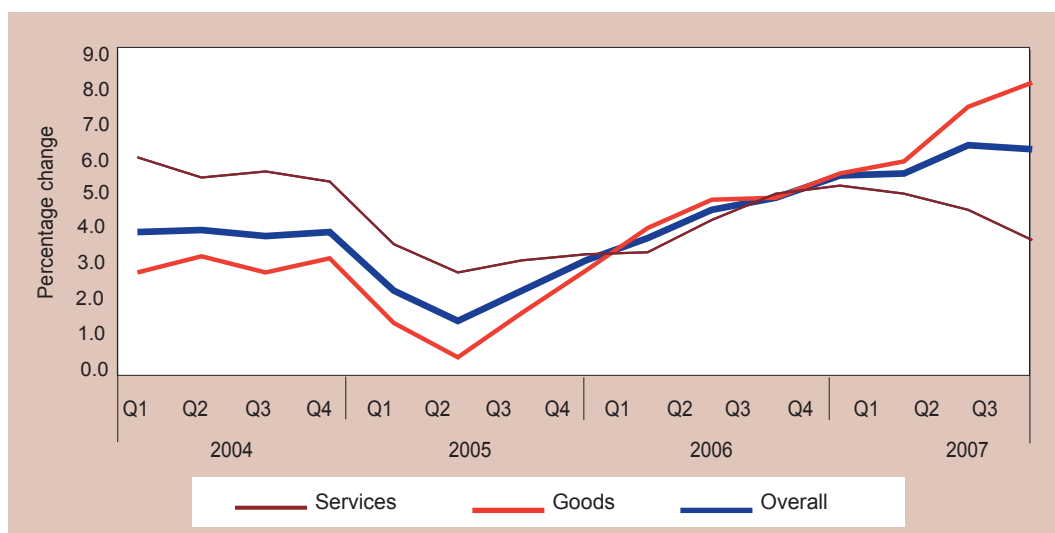
Source: CBS

Grouping inflation into goods and services indicates that inflation for goods displayed an increase from 8.3 percent in the previous quarter to 9.1 percent during the third quarter, while services' inflation moved in tandem with the slowing overall inflation (Chart 3.12). The increased goods inflation was mainly on account of increased prices in the food and non-alcoholic beverages sub-category, which constitutes the largest portion of that category.

Services' inflation, on the other hand, fell from a quarterly average of 4.9 percent to a lower 3.9 percent, which is also less than an average of 5.4 percent during the corresponding quarter of 2006. Driving this trend were the slowing prices in the category *miscellaneous goods and services*, which recorded a quarterly inflation rate of 1.4 percent during the third quarter of 2007. This rate is lower than the average of 2.4 percent and 7.4 percent recorded during the preceding quarter and corresponding quarter of 2006, respectively.

The financial services subgroup recorded zero inflation over the period and hence contributed to the moderation. The second quarter, however, recorded an average rate of 19.7 percent. The above development resulted from the fact that no change in inflation was recorded, quarter-on-quarter in this sub-category.

**Chart 3.12 Namibia's goods and services inflation**

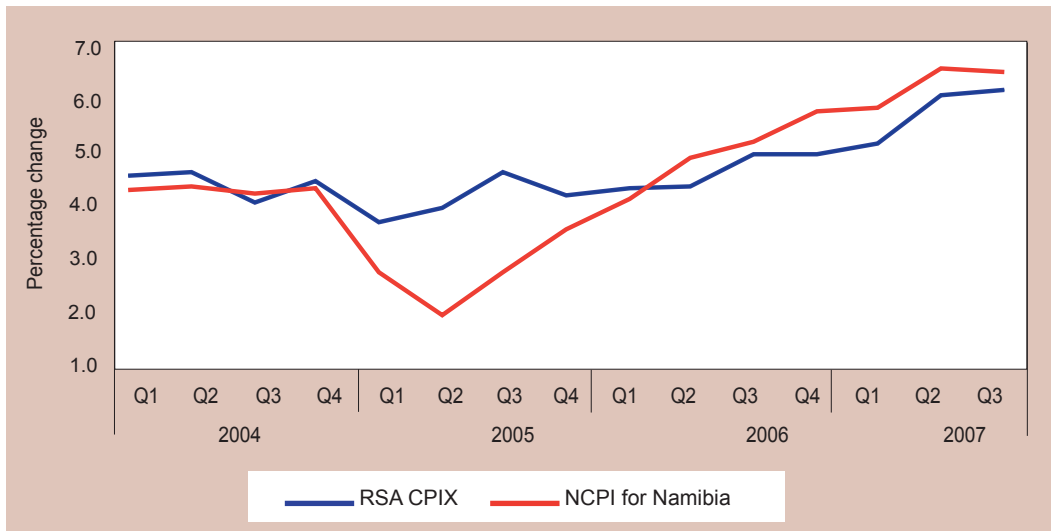


Source: CBS

Comparing Namibia's inflation to that of South Africa after the CPIX recorded inflation of 6.5 percent and 6.3 percent in July and August, respectively, the NCPI and the CPIX tallied at 6.7 percent in September 2007. This led to the CPIX to reach an average of 6.5 percent during the third quarter, lower than 6.9 percent for the NCPI (Chart 3.13). Averages of 6.4 percent for the CPIX and 7.0 percent for the NCPI were recorded during the second quarter of 2007. Latest data show, however, that the NCPI for October is lower at 6.6 percent than that of the CPIX at 7.3 percent.



Chart 3.13 Namibia's NCPI vs. South Africa's CPIX



Source: CBS and STATSSA

The South African PPI for all commodities slowed slightly during the third quarter of 2007 to an average of 9.7 percent from 10.4 percent during the preceding quarter. This could be an indication of moderating prices in both Namibia and South Africa, since the PPI gives signals of future trends in prices. The corresponding quarter witnessed a slightly lower increase of 8.8 percent.



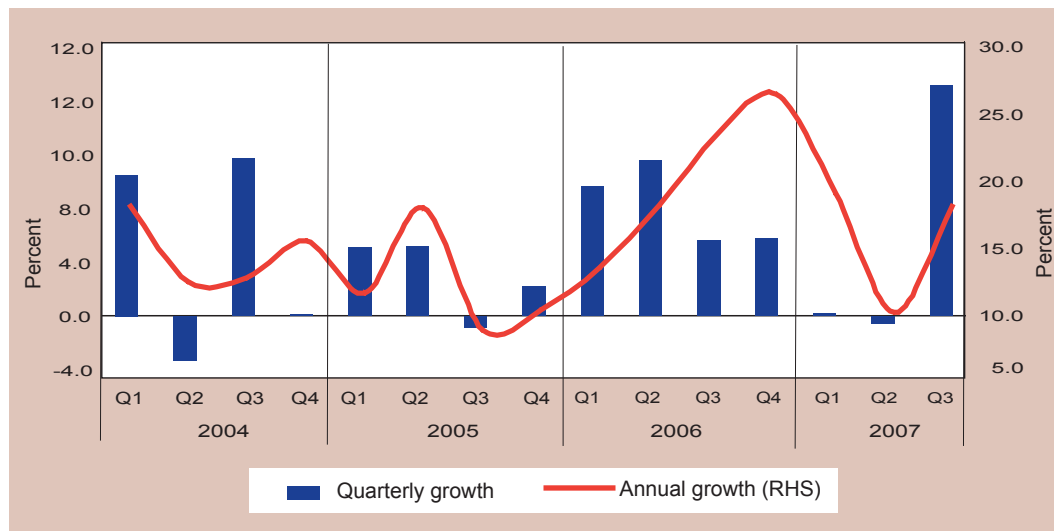
## 4. MONETARY AND FINANCIAL DEVELOPMENTS

### 4.1 MONETARY AGGREGATES

At the end of the third quarter of 2007, growth in broadly defined money supply (M2) increased at a faster rate compared to the previous quarters. The accelerated growth came from increases in both domestic credit and net foreign assets (NFA) of the banking system. Other items net, on the other hand, declined minimally.

On a quarterly basis, M2 increased by 14.2 percent, compared to the decline of 0.4 percent recorded at the end of the previous quarter, and a slower increase of 4.7 percent recorded at the end of the corresponding quarter of 2006 (Chart 4.1). On an annual basis, M2 increased by 19.5 percent at the end of the third quarter, higher than 9.5 percent recorded at the end of the previous quarter but notably lower than 26.1 percent recorded at the end of the corresponding period of 2006.

Chart 4.1 Monetary aggregates (M2) growth rates



### Components of money supply

The faster growth in M2 recorded at the end of the third quarter, was reflected through increases in currency in circulation and both transferable and other deposits. Transferable deposits included in M2 registered a high quarterly growth rate of 14.6 percent at the end of the third quarter of 2007, compared to a decline of 10.6 percent at the end of the second quarter. The relatively high growth in transferrable deposits resulted from commercial banks' increased deposits with non-residents.

Other deposits also contributed positively to the higher growth of M2 over the same period when it grew by 14.6 percent. This growth is, however, slower than 17.7 percent recorded at the end of the preceding quarter. Similarly, currency in circulation increased at the end of the third quarter by 5.8 percent, higher than 2.1 percent at the end of the previous quarter.

### Determinants of money supply

The high quarterly growth rate of M2 at the end of the third quarter was the outcome of collective increases in NFA and domestic credit as both displayed positive growth at the end of this period. The main contribution, however, came from the net domestic credit category that contributed about 11.1 percent to the change in M2 (Table 4.1). This resulted from Government's decision to refrain from borrowing and make use of its excess funds for developments and hence the reduction in the depository corporations' liabilities to Central Government.

**Table 4.1 Determinants of M2, (quarterly changes – N\$ millions)**

	2006	2007			
	Q3	Q2	Q3	Quarterly Percentage Change	Contribution to change in M2
<b>Net domestic claims</b>	<b>278.2</b>	<b>483.1</b>	<b>2,506.2</b>	<b>9.0</b>	<b>11.1</b>
Claims on other sectors	705.0	695.1	709.5	2.3	3.2
Net claims on the Central Government	-426.9	-212.0	1,796.7	62.1	8.0
<b>Net foreign assets of the banking system</b>	<b>2,485.3</b>	<b>61.3</b>	<b>875.7</b>	<b>12.6</b>	<b>3.9</b>
<b>Other items Net</b>	<b>-1,796.6</b>	<b>-636.8</b>	<b>-177.9</b>	<b>-1.5</b>	<b>-0.8</b>
<b>Broad Money Supply</b>	<b>966.9</b>	<b>-92.4</b>	<b>3,204.0</b>	<b>14.2</b>	<b>14.2</b>

### Net domestic claims

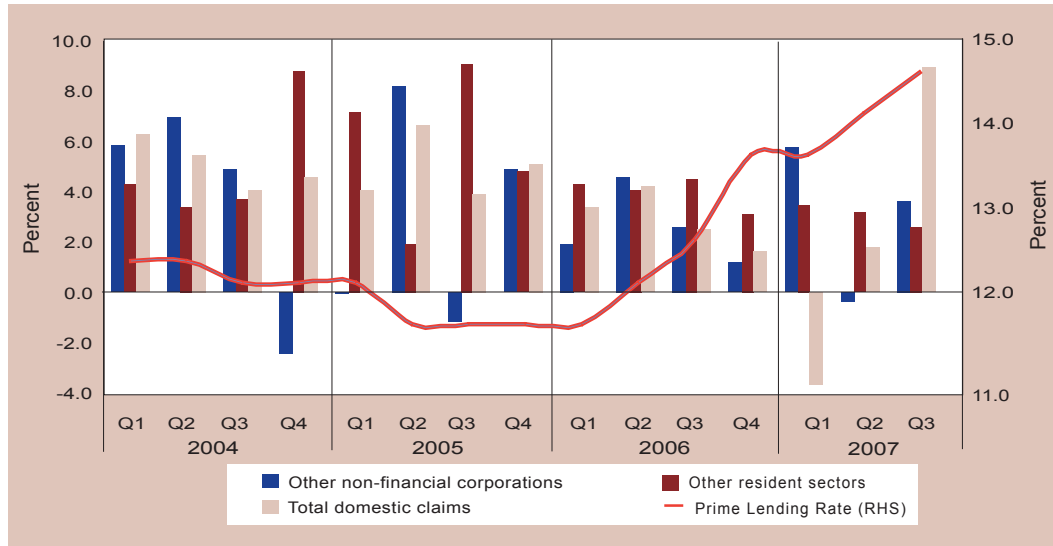
Although net claims on the Central Government improved from N\$2.9 billion at the end of the second quarter to a negative N\$1.1 billion, it remained a major contributor to the rise in M2. Quarter-on-quarter, net domestic claims rose by 9.0 percent, higher than 6.1 percent recorded at the end of the previous quarter. Credit extended to other sectors also contributed to the higher overall growth rate in domestic credit at the end of the third quarter of 2007.

At the end of third quarter of 2007, claims on other sectors grew by 2.3 percent, the same as at the end of the second quarter. This growth is slightly lower than 2.6 percent recorded during the corresponding quarter of 2006. The moderation in the quarterly growth rate of claims on other sectors was reflected mainly in a deceleration in the growth of credit extended to other resident sectors. This reflects the sector's responsiveness to the high interest rates environment that reigned since the second half of 2006.

Claims on other resident sectors recorded a growth rate of 2.6 percent, much lower when compared to growth rates of 3.2 percent and 4.6 percent registered during the preceding quarter and corresponding quarter of 2006, respectively (Chart 4.2). Credit extended to

other non-financial corporations, on the other hand, increased by 3.6 percent in contrast to a decline of 0.4 percent recorded during the previous quarter. The increase in credit extended to other non-financial corporation was reflected in a 7.1 percent expansion in the growth of the sub-category of other loans and advances, whereas the sub-categories instalment credit and other mortgage loans to the business sector declined.

**Chart 4.2 Claims on other sectors (quarter-on-quarter growth)**



The moderation in collateralized lending<sup>4</sup> observed during the second quarter further continued during the third quarter of 2007 (Table 4.2). Total collateralized lending slowed to 1.1 percent from 3.4 percent at the end of the preceding quarter. The slow down was mirrored in decelerations in the growth in both mortgage loans<sup>5</sup> and instalment credit. Growth in mortgage loans slowed from 3.8 percent to 1.2 percent over the same period, while instalment credit growth moderated to 0.6 percent from 2.3 percent at the end of the second quarter.

**Table 4.2 Growth in collateralized lending (quarter-on-quarter)<sup>6</sup>**

	2006		2007		
	Q3	Q4	Q1	Q2	Q3
<b>Total mortgage loans</b>	<b>10.4</b>	<b>4.9</b>	<b>5.3</b>	<b>3.8</b>	<b>1.2</b>
Individuals	4.9	4.0	4.8	3.8	4.4
Businesses	95.5	13.9	11.0	5.1	-17.7
<b>Total instalment credit</b>	<b>2.9</b>	<b>4.1</b>	<b>-0.2</b>	<b>2.3</b>	<b>0.6</b>
Individuals	-2.3	4.3	-1.5	3.6	1.6
Businesses	17.4	3.6	2.9	-0.6	-1.8

Further analysis showed that growth in mortgage loans to individuals increased from 3.8

<sup>4</sup> Collateralized lending includes mortgage loans and instalments sales.

<sup>5</sup> This comprises of mortgage loans other than those granted for purchases of farms.

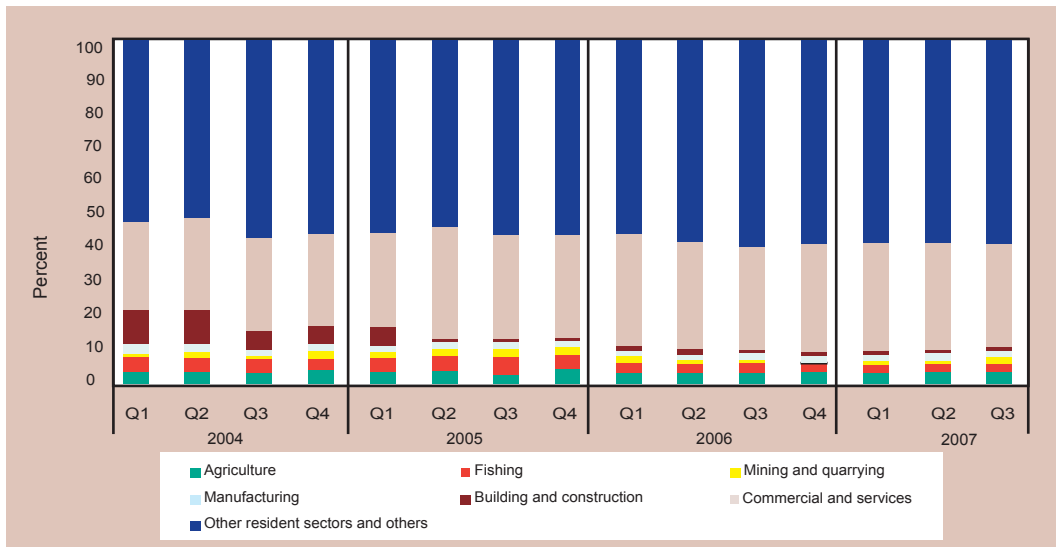
<sup>6</sup> The growth rates for total mortgage loans and total instalment credit include growth rates of loans and credit extended to non-residents, which is excluded from Table 4.2.

percent at the end of the previous quarter to 4.4 percent at the end of the third quarter. Mortgage loans advanced to businesses, on the other hand, declined by 17.7 percent following an increase of 5.1 percent reported at the end of the second quarter of 2007. Growth in installment credit to individuals slowed to 1.6 percent at the end of the third quarter from 3.6 percent, while that to businesses declined further to 1.8 percent from 0.6 percent over the same time period.

In terms of sectoral analysis, credit to the agriculture, building and construction, other residents and mining and quarrying sectors increased at the end of the third quarter of 2007. Contrary, declines were recorded in credit to the fishing, manufacturing and commercial services sectors. Credit to the mining and quarrying sector rose by 130.6 percent at the end of the third quarter, mainly as a result of increased borrowing by the diamond sector.

Conversely to the above, credit advanced to the manufacturing sector recorded a decline of 9.9 percent during the third quarter, which could be attributed mainly to the low volume of activities especially in the fish processing industry. In line with that, the fishing industry also registered a decline of 4.1 percent over the same period.

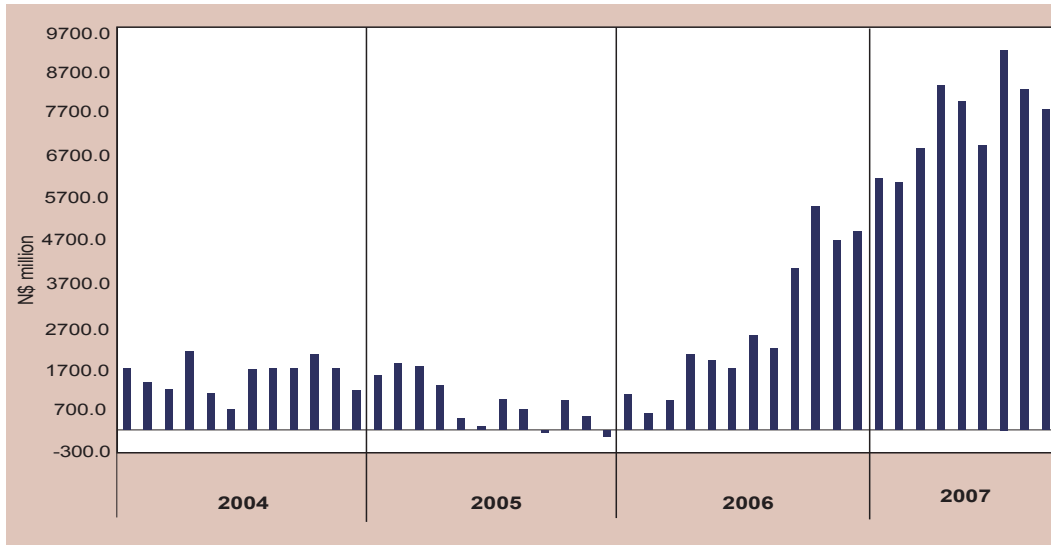
**Chart 4.3 Composition of other depository corporation's credit**



**Net foreign assets**

Net foreign assets of the banking sector rose by 12.6 percent at the end of the third quarter of 2007 to reach N\$7.8 billion. This was a significant increase when compared to a growth of 0.9 percent recorded at the end of the previous quarter (Chart 4.4). This development emanated mainly from an increase of N\$1.1 billion in the net foreign assets of other depository corporations during the same period, while those of Bank of Namibia declined.

Chart 4.4 Net foreign asset/liabilities of depository corporations



The increase in the net foreign assets of other depository corporations came as a result of the excess liquidity experienced in the banking system, which emerged mainly from the redemption of the GC07 bond in July. Healthy balance sheets of mining companies also contributed to the excess liquidity.

Net foreign assets of the Bank of Namibia declined by N\$216.6 million to reach N\$5.9 billion by the end of the third quarter of 2007 (Table 4.3). This stemmed from a decline in the Bank of Namibia's deposits with non-residents as the Rand holding declined due to capital outflows.

Table 4.3 Foreign assets and liabilities of depository corporations (N\$ million)

Holder	2005		2006				2007		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>A. NFA/L of ODCs</b>									
Foreign assets	-1,844.6	-2140.3	-1,734.5	-1,218.9	825.0	1,680.2	1,198.4	864.5	1,956.8
Foreign liabilities	292.3	285.6	914.6	1,029.3	1,795.4	2,742.2	2,198.9	1,877.2	2,855.7
	2,245.6	2,242.9	2,649.1	2,248.3	970.4	1,062.0	1,000.5	1,012.8	898.9
<b>B. NFA of BoN</b>									
Foreign assets	1,874.1	1,983.9	2,457.8	2,677.9	3,119.2	3,164.3	5,690.0	6,085.3	5,868.7
Foreign liabilities	1,890.4	1,998.0	2,470.0	2,688.3	3,571.0	3,573.6	6,094.7	6,485.4	5,947.2
	14.6	14.1	12.2	10.4	397.8	409.3	404.7	400.2	78.6
<b>Total NFA/L</b>	<b>66.4</b>	<b>-156.4</b>	<b>723.3</b>	<b>1,459.0</b>	<b>3,944.2</b>	<b>4,844.5</b>	<b>6,888.4</b>	<b>6,949.8</b>	<b>7,825.5</b>

### Liquidity of commercial banks

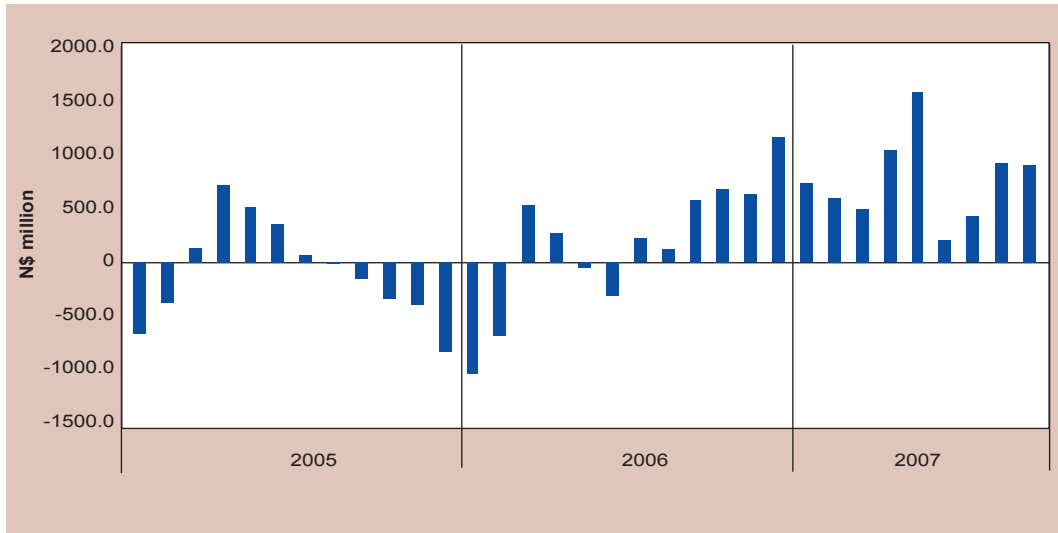
The overall liquidity position<sup>7</sup> of commercial banks in Namibia improved from N\$208.3 million at the end of the second quarter to N\$883.1 million at the end of the third quarter (Chart 4.5). This amount is higher when compared to the amount of N\$561.5 million at the

<sup>7</sup> This consist of funds that commercial banks have in their settlements accounts with Bank of Namibia, plus the ones they have with their parent companies in South Africa at the end of the reference period.

end of the corresponding period in 2006. At the end of October, commercial banks' liquidity position, however, declined to N\$410.4 million.

The liquidity position in South Africa moved from N\$193.3 million recorded at the end of the second quarter to N\$808.2 million at the end of the third quarter of 2007. This amount is also higher than N\$ 513.0 million at the end of the corresponding quarter in 2006.

**Chart 4.5 Overall liquidity positions of commercial banks (end of month)**



**Other depository corporations sources of funds<sup>8</sup>**

The total deposits of the other depository corporations expanded by N\$1.3 billion to reach N\$27.5 billion at the end of the third quarter of 2007. This represents a growth of 5.1 percent, which is higher than the 1.2 percent and 2.9 percent reported at the end of the preceding quarter and corresponding quarter of 2006, respectively.

The rapid growth in total deposits is attributed to the turn around in transferable deposits, which recovered from a decline of 6.9 percent reported during the second quarter of 2007 to a positive growth rate of 4.4 percent. Total other deposits also grew positively, albeit at a lower rate of 6.2 percent than 15.2 percent registered at the end of the previous quarter.

Deposits included in broad money increased by 14.9 percent to N\$24.8 billion at the end of the third quarter. This is higher than a decline of 5.9 percent at the end of the previous quarter and 4.7 percent at the end of the corresponding quarter of 2006. The increase in deposits included in broad money is attributed to expansionary pressures exerted by both transferable and other deposits.

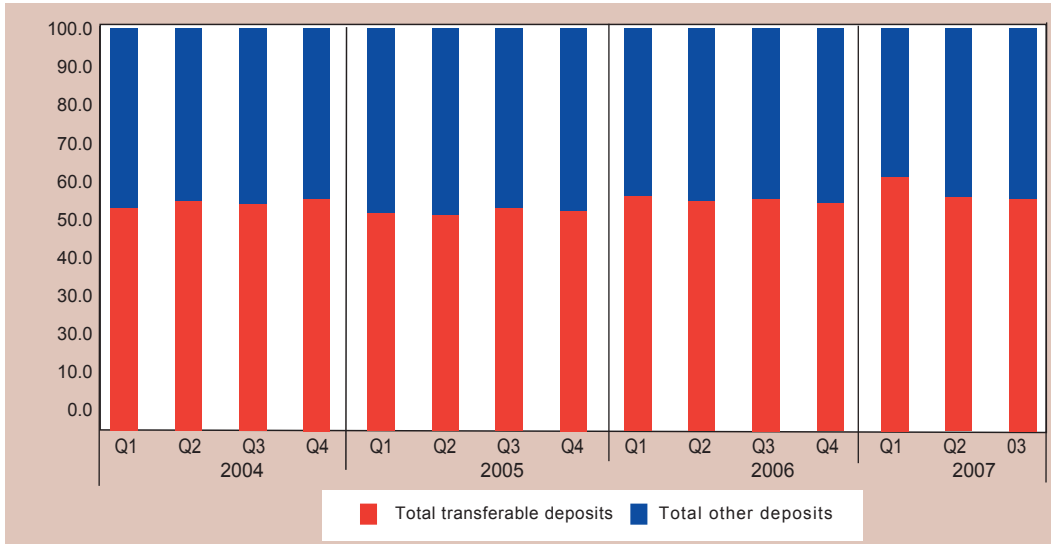
Total deposits excluded from broad money, on the other hand, declined by 40.7 percent at the end of the third quarter of 2007 compared to a growth of 10.5 percent increase registered at the end of the preceding quarter. This decline is attributed to contractions in the sub-categories of both transferable and other deposits.

<sup>8</sup> This comprises of deposits included as well as those excluded from broad money (M2).



Looking into total deposits, the segment of transferable deposit in total deposits moved from 58.1 percent at the end of the second quarter to 57.7 percent at the end of the third quarter (Chart 4.6). Other deposits, on the other hand, expanded from 41.9 percent to 42.3 percent during the same period.

**Chart 4.6 Composition of other depository corporation’s deposits**



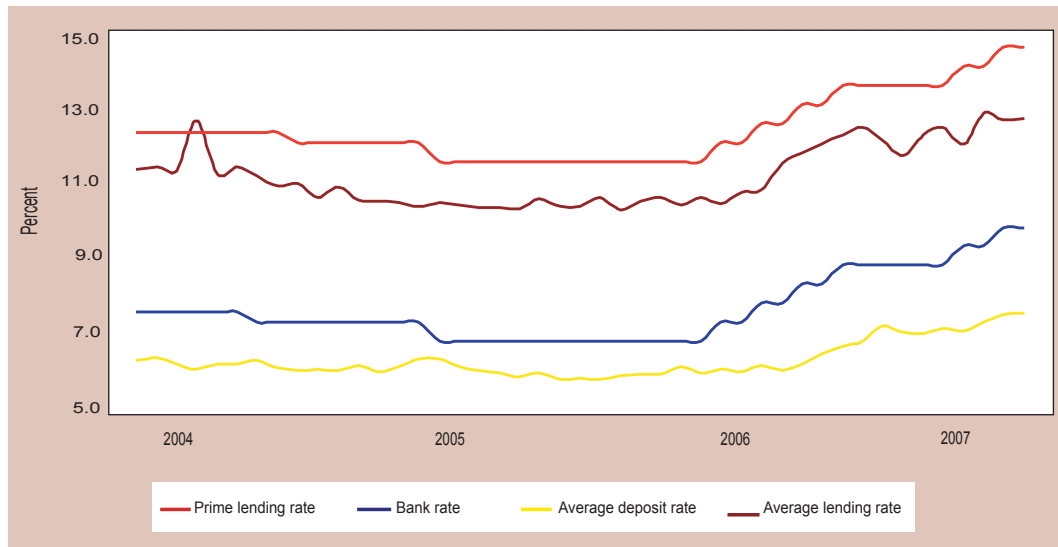
**4.2 MONEY AND CAPITAL MARKET DEVELOPMENTS**

**Money market developments**

The third quarter of 2007 saw the Bank of Namibia further restricting monetary policy in response to a threat posed by unabating inflation. The Bank of Namibia increased the Bank rate by 50 basis points to 10.50 percent in October. This increase followed another of the same magnitude in August 2007, making the October increase the third for the year and the sixth since June 2006. The decision to hike the Bank rate by the Bank of Namibia during the third quarter has been justified by the fact that inflation rose to a record level of 7.2 percent in July.

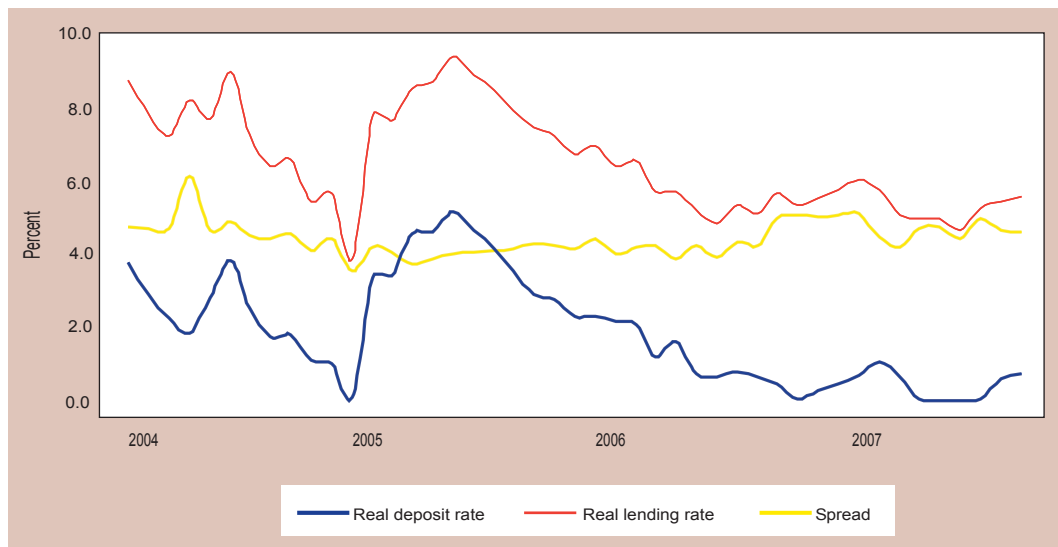
Commercial banks raised their prime lending rates from 14.25 percent to 14.75 percent during the third quarter, as a direct response to the increase in the Bank rate. The average deposit rate, also increased by 50 basis points in the third quarter, which is an improvement from the 20 basis points increase during the second quarter. Despite the slightly higher adjustment in the average deposit rate in the third quarter, the nominal interest rate spread increased to 5.17 percent in the third quarter compared to 4.98 percent in the second quarter. The higher spread is mainly attributed to excess liquidity prevailing in the banking sector (Chart 4.7).

Chart 4.7 Selected interest rates



In the third quarter, the average real deposit rate increased to 0.97 percent compared to 0.22 percent in the second quarter, while the average real lending rate rose to 5.80 percent from 4.88 percent in the second quarter. The increase in both the real deposit and lending rates is in line with the relatively higher interest rates that prevailed in the third quarter compared to the second quarter. Although deposit rates increased, they are still relatively low, and this could dampen deposit mobilization.

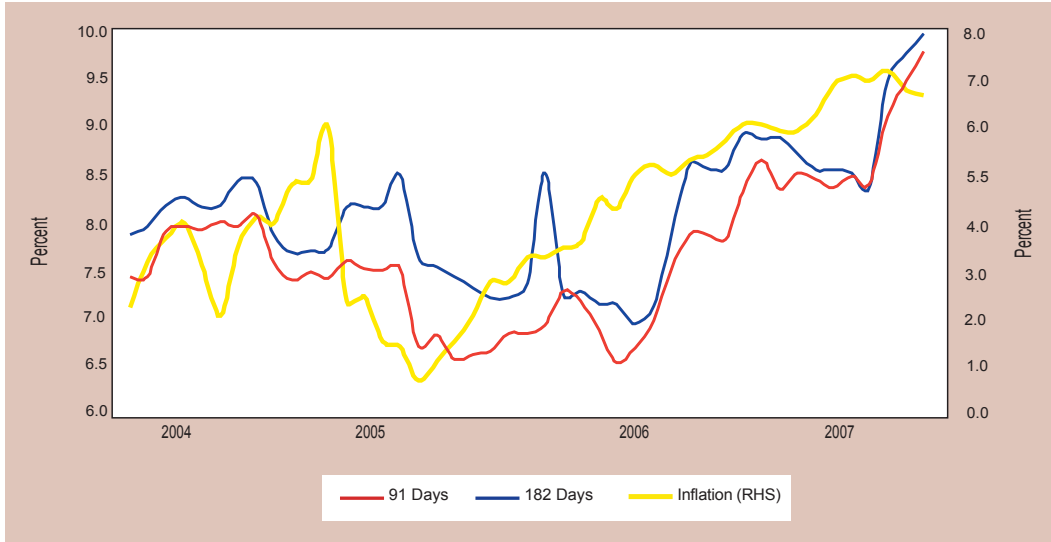
Chart 4.8 Real interest rates



Short-term government securities recorded an increase in yields in the third quarter. The effective yields for the 91-day and 182-day treasury bills rose to 9.80 percent and 9.98 percent, respectively, in September 2007 from 8.45 percent and 8.41 percent recorded in June 2007. The third quarter increase in the effective yields of short-term securities can be attributed to higher interest rates of these instruments during the third quarter (Chart 4.9).

Going forward, it is expected that yields on these instruments will maintain the upward trend as interest rates are expected to rise again in the fourth quarter on the back of inflationary expectations, before stabilizing or decreasing in the first quarter of 2008.

**Chart 4.9 Treasury bills discount rates**



The South African Reserve Bank increased its Repo rate by 50 basis points to 10.00 percent in August, from 9.50 percent. This increase followed a similar increase in June 2007. As a result of this increase, the South African prime lending rate also increased by 50 basis points to 13.50 percent by the end of the third quarter. As mentioned earlier, the Namibian prime lending rate increased by the same magnitude over the period under review to end at 14.75 percent.

However, looking at the average nominal deposit and lending rates of South Africa and Namibia during the same period, discernible differences are observed. The South African average nominal deposit and lending rates increased by 52 basis points and 62 basis points, respectively (Chart 4.10), compared to an increase of 50 basis points and 67 basis points, respectively, in the case of Namibia.

Chart 4.10 Selected interest rates (South Africa)



Source: SARB

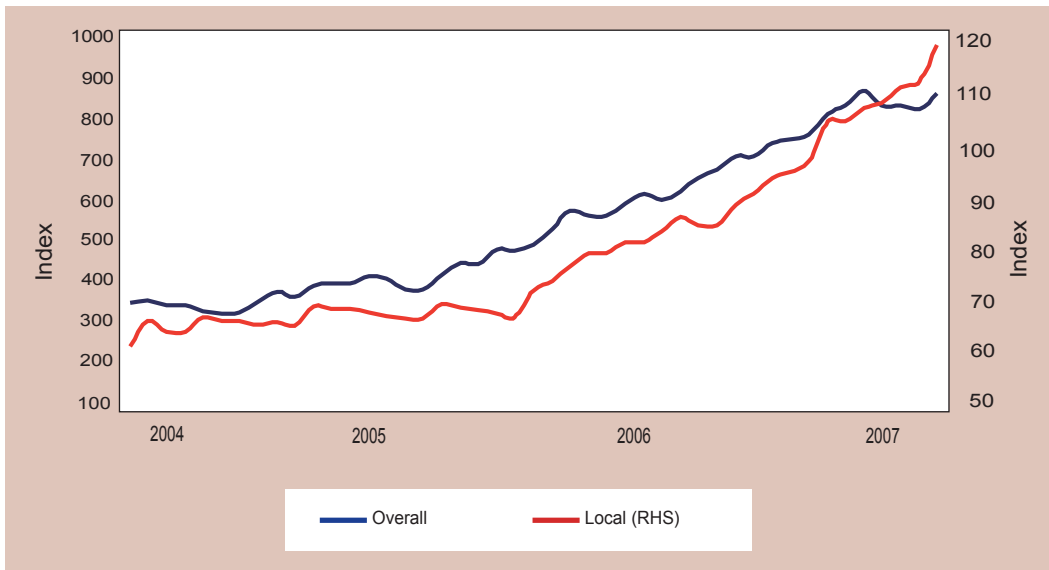
In South Africa, the nominal spread between the average lending and deposit rates thus narrowed from 3.57 percent during the second quarter to 3.39 percent in the third quarter of 2007. In Namibia, however, the spread widened from 4.98 percent in the second quarter to 5.17 percent in the third quarter. The high spread in Namibia can be attributed to, amongst others, the prevailing excess liquidity, lack of economies of scale due to small market size, high costs and perceived market risks.

**Capital market developments**

**Share prices**

The Namibia Stocks Exchange’s (NSX) performance in the third quarter followed the good trend observed in the second quarter, with both the local and overall indices rising (Chart 4.11).

Chart 4.11 NSX price indices



Source: NSX

The performance of Namibia-only listed companies was commendable during the third quarter as reflected in the increase of the local index. On average, the local index rose to 116 points during the third quarter of 2007, representing a 12.6 percent increase over the preceding quarter. In terms of local market capitalisation, the local index recorded N\$4.06 billion in the third quarter. Underpinning this growth in the local market capitalisation is the good performance of share prices of especially industrial and financial counters during the third quarter.

The total number of local deals traded on the NSX increased to 78 in the third quarter from 43 in the second quarter of 2007. Volumes traded decreased by 42 percent to 335 624 from 575 769 in the preceding quarter. The local index, on the other hand, recorded a turnover of N\$1.86 million during the third quarter, from N\$770 thousand during the second quarter.

The overall index declined marginally by 0.5 percent in the third quarter of 2007 to an average of 945.0 points compared to the second quarter of 2007. The decrease in the overall price index reflected the general decline in stock prices worldwide following the US sub-prime mortgage market collapse in August 2007. Overall volumes traded dropped by 66 percent from 51 million in the second quarter to 16 million in the third quarter. The NSX's overall index recorded a turnover of N\$895 million in the third quarter from N\$831 million in the second quarter; increasing by 7.8 percent.

#### Government bond yield

Bond yields displayed a mixed trend in the third quarter, with yields for GC10 and GC12 increasing, while the yields for the rest of the bonds declined. The longer-dated bonds' yields declined on the back of expectations that long-term interest rates would decline, while the rise in yields of short-dated bonds can be attributed to expectations of a rise in short-term interest rates. The yield for the GC10 experienced the biggest increase of 72 basis points from the previous quarter (Chart 4.12).

Chart 4.12 Government bond yields



The yield for GC12 rose by 46 basis points in the third quarter. The yields of GC15 and GC24 declined from 8.66 percent and 8.79 percent in the second quarter to 8.35 percent and 8.28 percent, respectively, in the third quarter of 2007.

## 5. FISCAL DEVELOPMENTS<sup>9</sup>

At the end of the second quarter of 2007/08, public sector debt stock declined significantly, quarter-on-quarter, to 24.6 percent of GDP. The decrease was significant because the outstanding stock of debt as a percentage of GDP fell below the fiscal target of 25 percent. The redemption of the bond GC07 in July 2007, contributed partly to this positive development. The other contributing factor is the continued prudent management of public funds by the Central Government. External debt however, increased due to a new loan that was secured for the upgrading of the Rundu-Elundu road. Contingent liabilities continued trending downwards since the fourth quarter of 2006/07, adding to the rosy outlook for the stance on public finance.

### 5.1 CENTRAL GOVERNMENT DEBT

Total stock of Central Government debt is estimated at N\$11.9 billion at the end of September 2007, representing a decrease of 10.8 percent when compared to that at the end of the previous quarter (Table 5.1). In relation to GDP, the Central Government debt decreased from 27.6 percent in the previous quarter to a record low of 24.6 percent. A decline of 15.4 percent, quarter-on-quarter, in the domestic debt resulted in the overall decrease in total debt during the quarter under review. As a result, the ratio of domestic debt to total debt fell to 75.3 percent at the end of the second quarter from 79.4 percent at the end of the preceding quarter. External debt's ratio to total debt stock, over the same period, rose to 24.7 percent from 20.6 percent as a result of an increase, quarter-on-quarter, of 6.8 percent to N\$2.9 billion in September 2007.

<sup>9</sup> All quarters mentioned under this section are fiscal quarters and not calendar quarters: implying the second quarter is the third calendar quarter. Data on Government operations were not available at the time of compiling this bulletin.

Table 5.1 Central Government debt (N\$ million)

	2005/06	2006/07				2007/08	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>GDP</b>	<b>39,622.1</b>	<b>43,983.2</b>	<b>43,983.2</b>	<b>43,983.2</b>	<b>43,983.2</b>	<b>48,703.9</b>	<b>48,703.9</b>
<b>Foreign Debt Stock</b>	<b>1,843.3</b>	<b>2,381.3</b>	<b>2,675.6</b>	<b>2,526.3</b>	<b>2,710.2</b>	<b>2,769.5</b>	<b>2,957.6</b>
Bilateral	1,018.9	1,450.8	1,599.8	1,489.1	1,630.4	1,585.7	1,786.13
As % of Total	55.3	60.9	59.8	58.9	60.2	57.3	60.4
Multilateral	824.4	930.5	1,075.8	1,037.2	1,079.8	1,183.8	1,171.45
As % of Total	44.7	39.1	40.2	41.1	39.8	42.7	39.6
<b>Foreign Debt as % Export</b>	<b>12.5</b>	<b>16.1</b>	<b>18.1</b>	<b>17.1</b>	<b>18.3</b>	<b>18.7</b>	<b>20.0</b>
<b>Domestic Debt Stock</b>	<b>10,689.8</b>	<b>10,862.1</b>	<b>10,962.0</b>	<b>10,987.8</b>	<b>10,927.8</b>	<b>10,677.7</b>	<b>9,031.8</b>
Treasury Bills	4,762.8	4,655.0	4,425.0	4,250.0	3,950.0	3,699.9	3,249.9
As % of Total	44.6	42.9	40.4	38.7	36.1	34.7	36.0
Internal Registered Stock	5,927.0	6,207.0	6,537.0	6,737.8	6,977.8	6,977.8	5,781.9
As % of Total	55.4	57.1	59.6	61.3	63.9	65.3	64.0
<b>Other</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total</b>	<b>12,533.1</b>	<b>13,243.3</b>	<b>13,637.6</b>	<b>13,514.1</b>	<b>13,638.0</b>	<b>13,447.2</b>	<b>11,989.4</b>
<b>Proportion of Total Debt</b>							
Foreign Debt Stock	14.7	18.0	19.6	18.7	19.9	20.6	24.7
Domestic Debt Stock	85.3	82.0	80.4	81.3	80.1	79.4	75.3
<b>In % of GDP</b>							
Foreign Debt Stock	4.7	5.4	6.1	5.7	6.2	5.7	6.1
Domestic Debt Stock	27.0	24.7	24.9	25.0	24.8	21.9	18.5
<b>Total</b>	<b>31.6</b>	<b>30.1</b>	<b>31.0</b>	<b>30.7</b>	<b>31.0</b>	<b>27.6</b>	<b>24.6</b>

Source: BoN and MoF

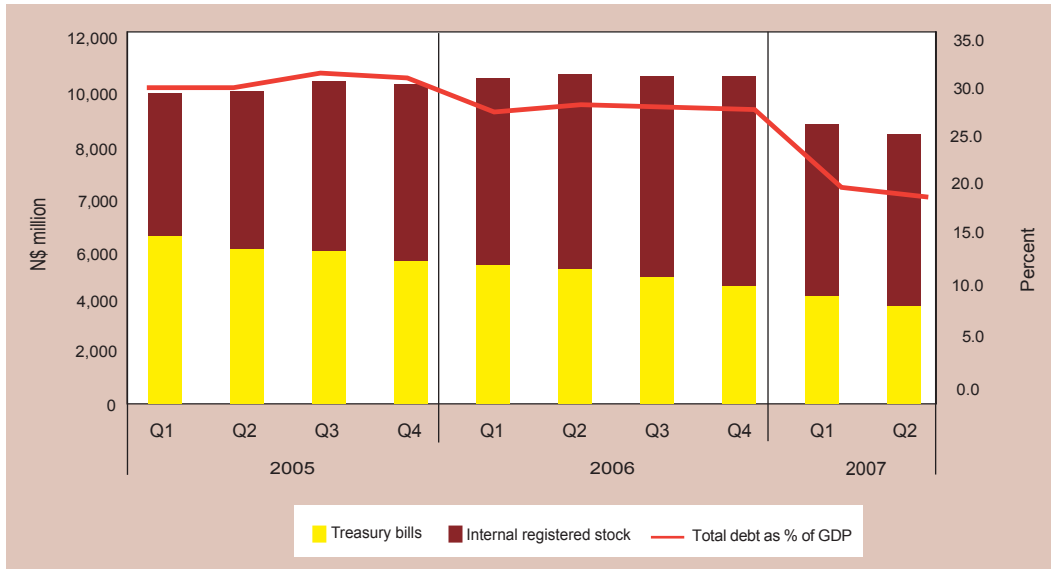
#### DOMESTIC DEBT

Total domestic debt contracted by 15.4 percent at the end of the second quarter of 2007/08, relative to the previous quarter to stand at N\$9.0 billion (Table 5.1). This constitutes 75.3 percent of total debt and 18.5 percent of GDP. Both ratios are lower than in the previous quarter, as well as a year ago. Both sub-categories, treasury bills and bonds, registered declines, quarter-on-quarter, and year-on-year, resulting in the overall decline in domestic



debt. The decline in treasury bills stemmed from a net repayment of N\$450 million during the second quarter of 2007/08. Furthermore, no long-term bonds were issued since March 2007, resulting in the outstanding balance of internal registered stock to stand at N\$5.8 billion (Chart 5.1). The decline of 17.1 percent from the previous quarter was as a result of the redemption of GC07 in July 2007.

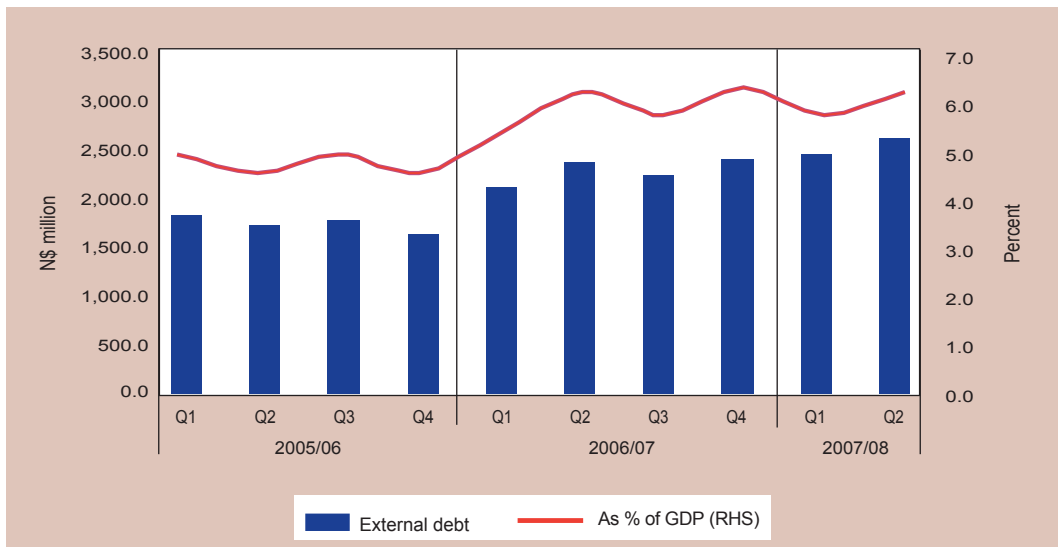
**Chart 5.1 Total domestic debt by security**



**EXTERNAL DEBT**

Total external debt expanded during the second quarter of 2007/08 to stand at N\$2.9 billion at the end of this quarter. This represents an increase of 6.8 percent when compared to that at the end of the previous quarter (Chart 5.2). This expansion was primarily confined to a new loan that was granted by the Japanese Bank for International Cooperation for the purpose of upgrading the Rundu-Elundu road. An amount of N\$191.8 million of this loan was disbursed during the quarter under review. As a ratio to GDP, external debt was up from 5.7 percent in the previous quarter to 6.1 percent. As a result, external debt’s contribution to total Central Government debt increased from 20.6 percent to a current level of 24.7 percent.

Chart 5.2 Total external debt



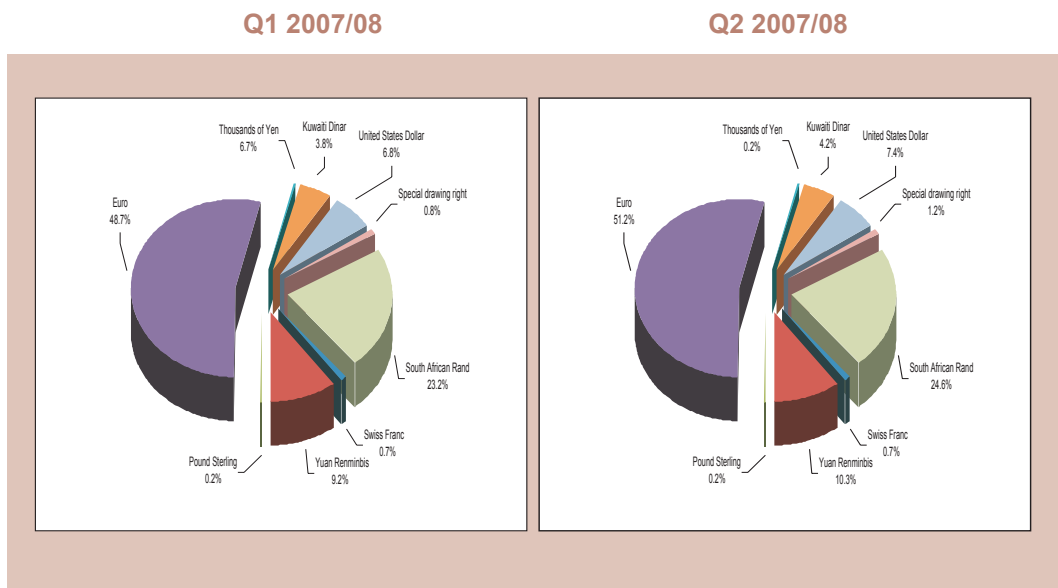
Source: MoF

As it has been the trend for some time, bilateral loans continued to dominate the composition of external debt. With the new loan sourced from Japan, bilateral loans rose quarter-on-quarter by 12.6 percent to N\$1.8 billion at the end of the second quarter. Its composition rose to 60.4 percent from 57.26 percent in the preceding quarter. Multilateral loans, on the other hand, declined slightly, quarter-on-quarter, by 1.0 percent to N\$1.2 billion, driven mainly by the exchange rate valuation effect. The composition of multilateral loans to total external loans, accounted for 39.6 percent, 42.7 percent lower than in the preceding quarter.

External debt currency composition

The currency composition of external debt for most currencies changed from the levels in the preceding quarter (Chart 5.3). The Rand's share decreased slightly from 24.6 percent during the previous quarter to 23.2 percent at the end of September 2007.

Chart 5.3 Currency composition for external debt



Similarly, the proportion of external loans denominated in US Dollar decreased from 7.4 percent to 6.8 percent, the Yuan from 10.3 percent to 9.2 percent and the Euro from 51.2 percent to 48.8 percent over the same period. These declines were partly as a result of the strengthening of the Namibian dollar against the mentioned currencies. Noticeable is the increase of the Japanese Yen from 0.2 percent to 6.7 percent, reflecting the disbursement of the new loan granted to the Namibian Government.

## 5.2 CENTRAL GOVERNMENT LOAN GUARANTEES

Total loan guarantees extended by the Central Government to both State Owned Enterprises (SOE) and certain private companies declined both quarter-on-quarter and year-on-year to stand at N\$3.2 billion at the end of September 2007/08. The decline in total stock of Central Government loan guarantees was reflected in the domestic category which fell, quarter on quarter, by 17.9 percent and the foreign component, which declined by 2.3 percent (Table 5.2).

**Table 5.2 Central Government loan guarantees (N\$ million)**

	2005/06		2006/07				2007/08	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GDP	39,622	39,622	43,983	43,983	43,983	43,983	48,704	48,704
Domestic Guarantees	1,537.9	1,494.6	1,494.6	1,625.8	1,826.1	2,197.6	1,559.8	1,280.7
As % of GDP	3.9	3.8	3.4	3.7	4.2	5.0	3.2	2.6
As % of Total Guarantees	55.7	42.6	41.1	41.2	47.3	52.3	44.1	39.9
Foreign Guarantees	1,221.7	2,010.2	2,142.7	2,109.7	2,037.4	2,006.7	1,978.2	1,932.6
As % of GDP	3.1	5.1	4.9	4.8	4.6	4.6	4.1	4.0
As % of Total Guarantees	44.3	57.4	58.9	58.8	52.7	47.7	55.9	60.1
Total Guarantees	2,759.6	3,504.8	3,637.3	3,735.5	3,863.5	4,204.3	3,538.0	3,213.3
As % of GDP	7.0	8.8	8.3	8.5	8.8	9.6	7.3	6.6

Source: MoF and BoN

### Domestic loan guarantees

Total domestic loan guarantees declined to N\$1.3 billion at the end of the second quarter of 2007/08 from a level of N\$1.6 billion recorded at the end of the first quarter of the same year, representing a decline of 17.9 percent. Accordingly, as a percentage of GDP, domestic loan guarantees declined to 2.6 percent from 3.2 percent. Similarly, the proportion of domestic loan guarantees to the total Central Government loan guarantees declined to 39.9 percent from 44.1 percent (Table 5. 2).

The decline in domestic loan guarantees reported for the second quarter of 2007/08 was caused by a repayment of N\$279 million made by a state owned enterprise. As a result, total domestic loan guarantees to SOE, declined to reach an outstanding amount of N\$843 million at the end of the second quarter of 2007/08. The outstanding amount of the total domestic loan guarantees at the end of the second quarter covered mainly the SOEs in financial, tourism and communication services. On the other hand, the outstanding domestic loan guarantees to the private enterprises particularly in agriculture, mining and quarrying remained constant at N\$215 million.

### Foreign loan guarantees

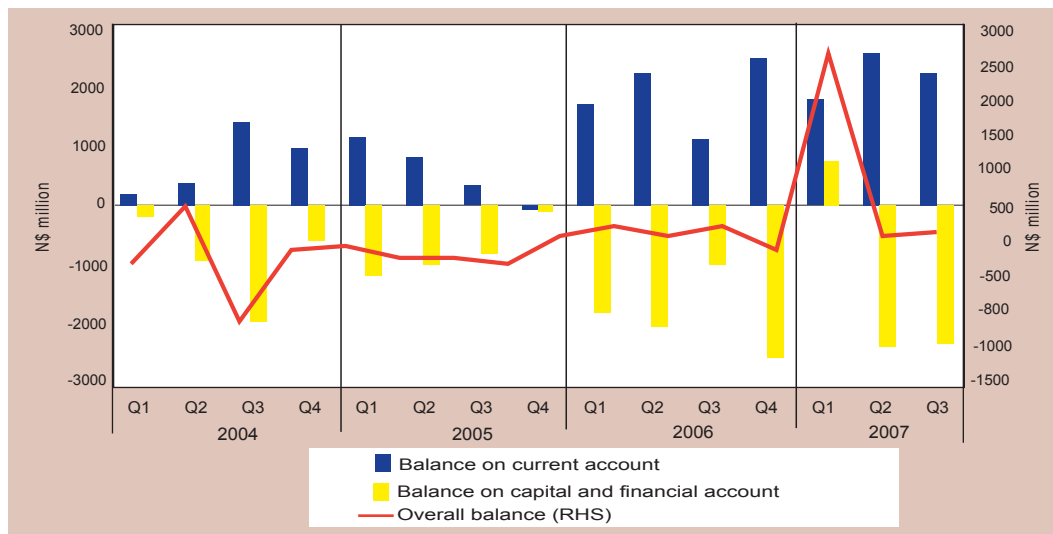
As for the foreign component of Central Government loan guarantees, a decline, quarter-on-quarter, of N\$45.6 million was observed at the end of the second quarter. This was a result of a repayment of N\$22.5 million and valuation effect from exchange rate appreciation. The exchange rate valuation effect caused a reduction of N\$23.1 million in loans denominated in the US Dollar. As a percentage of GDP, foreign loan guarantees fell to 4.0 percent from 4.4 percent in the preceding quarter. As a proportion to total loan guarantees, the foreign component rose to 60.1 percent from 55.9 percent over the same period. The increase in the proportion for foreign loan guarantees, quarter-on-quarter, was driven by a significant decline of 18 percent in the domestic component.

## 6. FOREIGN TRADE AND PAYMENTS

### 6.1 OVERVIEW OF THE BALANCE OF PAYMENTS

The balance of payments for Namibia during the third quarter of 2007 was characterized by both a narrowing current account surplus and capital and financial account deficit. This scenario on the external sector has resulted in a surplus in the overall balance of the balance of payments, which is slightly higher than that recorded during the preceding quarter (Chart 6.1).

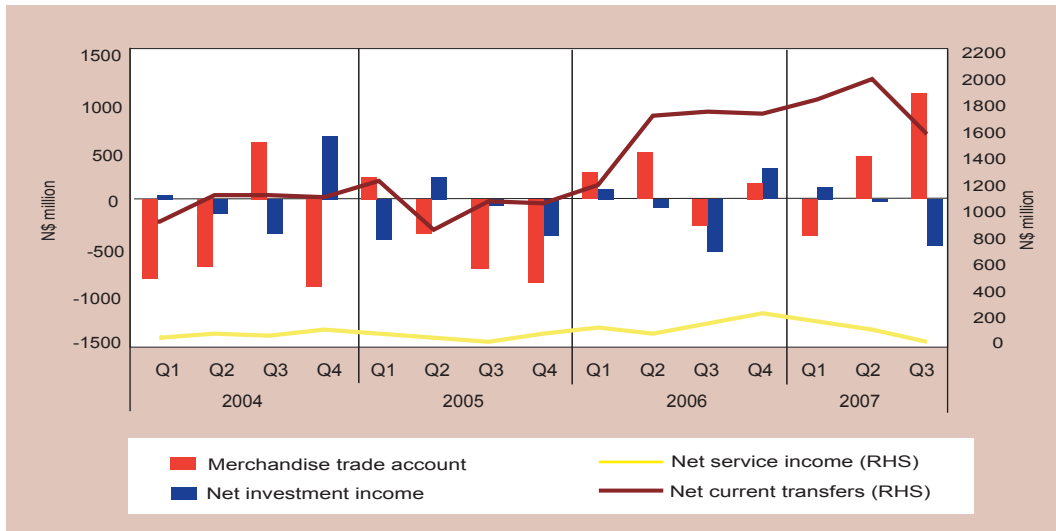
Chart 6.1 Balance of payments major accounts



### 6.2 CURRENT ACCOUNT

The current account surplus, during the third quarter of 2007, was estimated to have slightly declined to N\$2.2 billion from N\$2.5 billion recorded during the preceding quarter. The current account surplus was also lower than N\$1.1 billion recorded during the corresponding quarter of 2006. The narrowing surplus during the third quarter was a result of increased net outflows in investment income and decreased net inflows of current transfers (Chart 6.2).

Chart 6.2 Current account sub-accounts

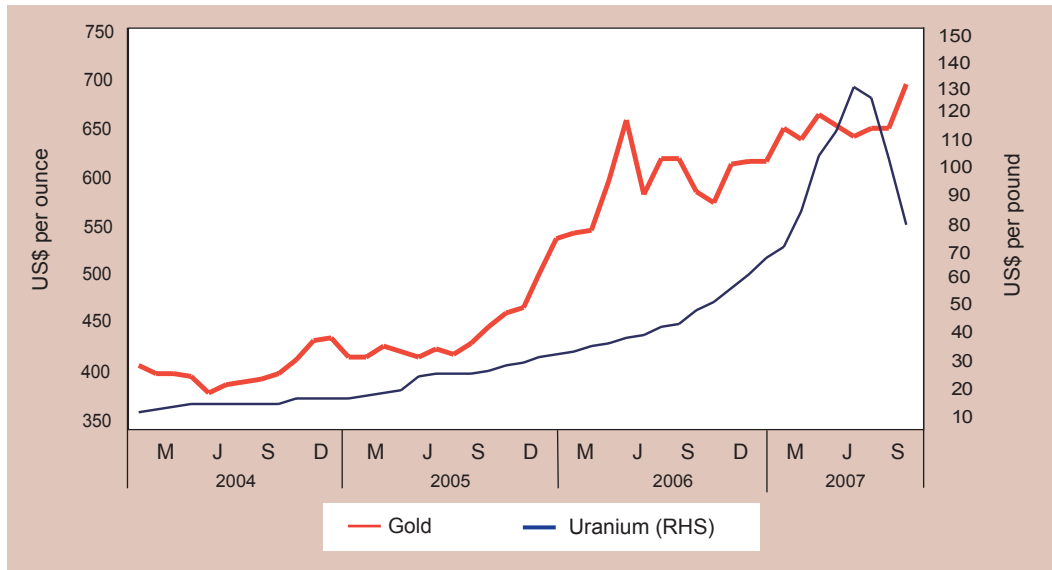


The merchandise trade surplus increased to N\$1.1 billion during the third quarter of 2007 from a level of N\$443 million in the preceding quarter. The development in the merchandise trade balance was a result of an increase in the value of merchandise exports that outweighed expenses on imports. Total exports for the third quarter of 2007 rose to N\$6.1 billion, 9.8 percent higher than the level in the second quarter and 30.4 percent higher than that in the corresponding quarter of 2006. The increase in merchandise export receipts were mainly reflected in export earnings from the categories manufactured products and other minerals. In contrast, imports declined by 1.7 percent to N\$5.0 billion, but rose from N\$4.9 billion in the corresponding period of 2006.

Export earnings of manufactured products mainly processed zinc, fish, beer and soft drinks increased during the third quarter of 2007. Export earnings of manufactured products went up on a quarterly basis by 53.5 percent to N\$2.7 billion during the quarter. This was, also higher than N\$1.4 billion recorded during the corresponding quarter of the preceding year. The increase was a reflection of increasing exports of processed fish products and processed mineral products. Processed fish export earnings rose as a result of volumes in fish exported that soared.

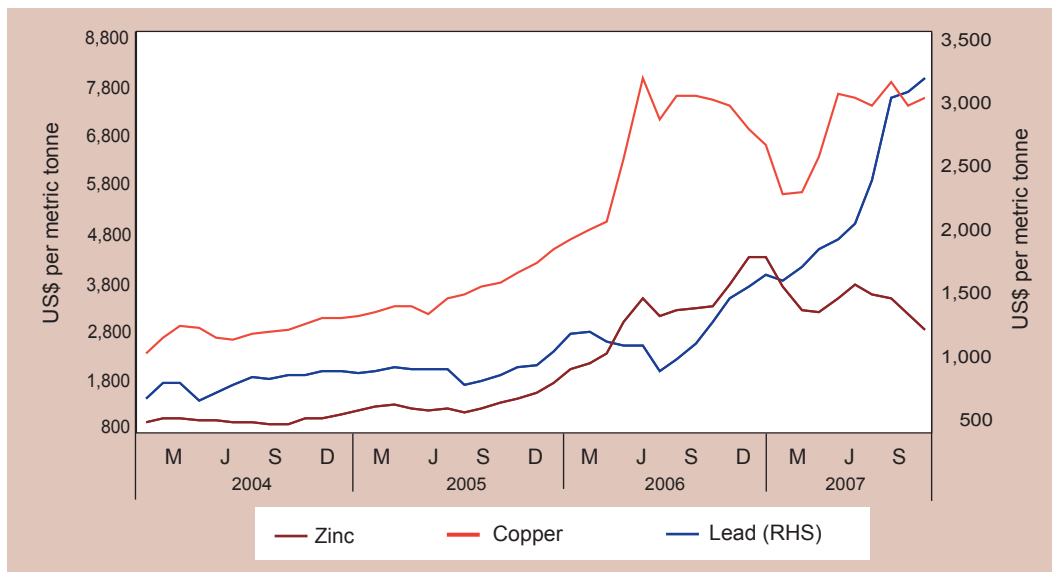
Export earnings from the category other mineral products rose during the third quarter of 2007 to N\$1.4 billion from N\$1.1 billion recorded during the preceding quarter. The rise in export earnings of other mineral products was caused, amongst others, by increased volume exports of certain minerals such as copper and lead and the relatively strong international commodity prices, especially for gold, lead and copper (Chart 6.3(a) and 3(b)). The volume exported for copper and lead rose on a quarterly basis by 19 percent and 5 percent, respectively.

Chart 6.3 (a) Monthly average mineral prices



Source: London gold price & IMF

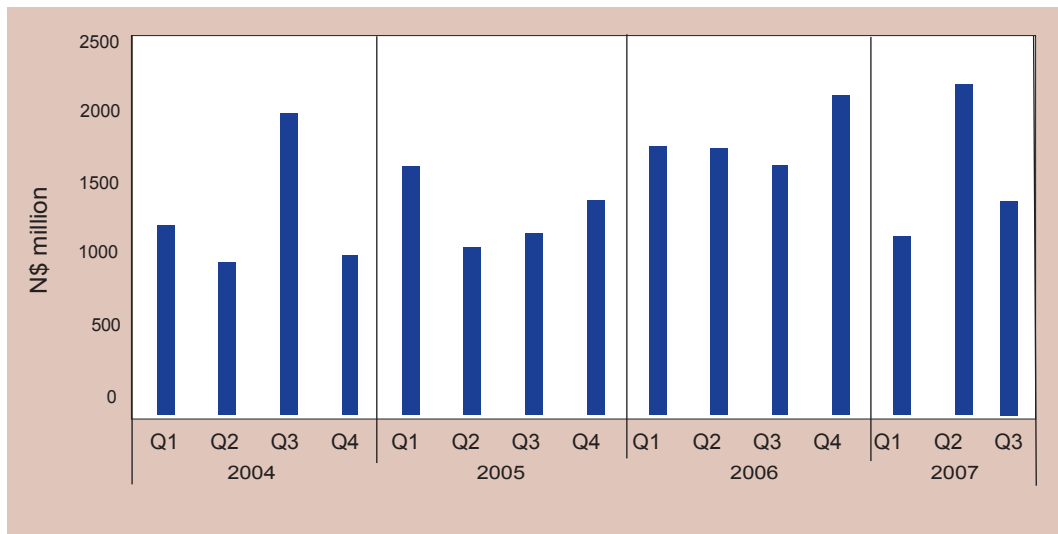
Chart 6.3 (b) Monthly average mineral prices



Source: London gold price & IMF

Diamond export receipts declined, quarter-on-quarter, by N\$810 million to N\$1.4 billion and year-on-year, by N\$278 million (Chart 6.4). The deterioration in the value of diamond exports during the third quarter was mainly driven by a decline in the volume of diamonds exported. The reduction was a result of inadequate production during the third quarter of 2007, due to the closure of Namdeb's pocket beach plants and the outbreak of fire at one of its plants.

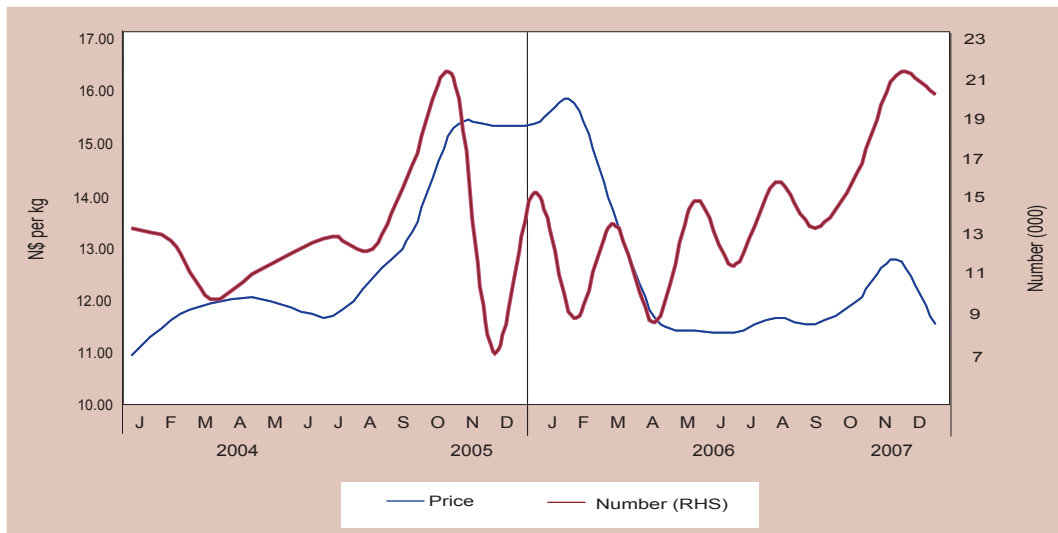
**Chart 6.4 Diamond quarterly export earnings**



Source: Ministry of Mines and Energy

Export receipts of food and live animals increased during the third quarter of 2007 by 3.5 percent to N\$559 million, although lower than N\$653 million recorded during the corresponding quarter of 2006. The rise during the third quarter of 2007 was a result of the expansion in export earnings of live cattle and unprocessed fish. The export earning of live cattle was driven mainly by increased export volumes for weaners, augmented by relatively improved weaner prices in the South African market (Chart 6.5).

**Chart 6.5 Number of weaners exported and weaner prices**

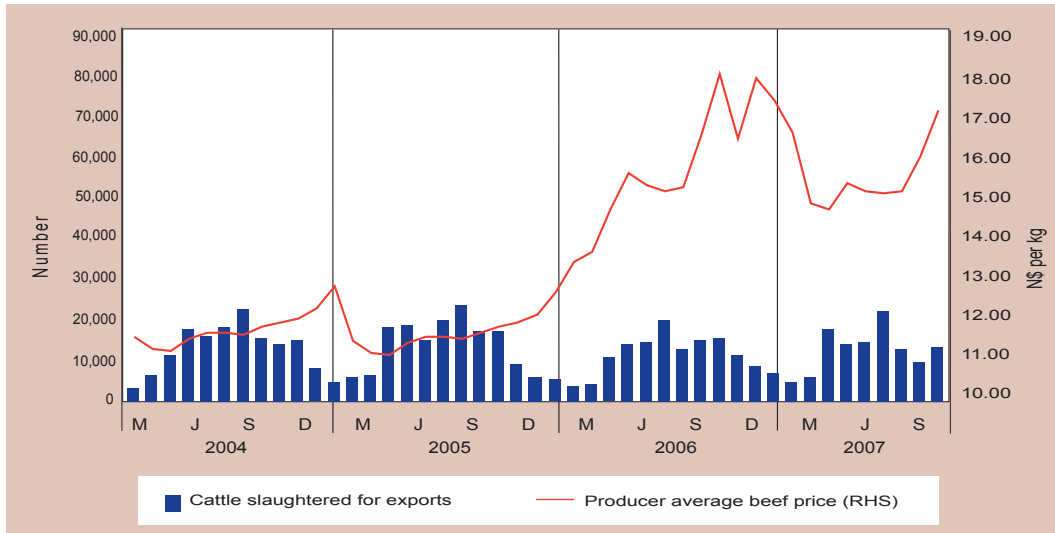


Source: Meat board

Further, export earnings of slaughtered cattle were also higher, quarter-on-quarter. This sub-category rose to N\$172 million in the third quarter from N\$84 million in the preceding period, mainly on account of higher producer prices (Chart 6.6).



Chart 6.6 Number of cattle slaughtered for exports and prices<sup>10</sup>



Source: Meat board

The balance on the services account is estimated to have declined to N\$27 million during the third quarter of 2007 from N\$119 million recorded during the preceding quarter. The main components contributing to the decrease in net services inflows is a fall in travel inflows. The inflows of the sub-category travel declined by 14.2 percent to N\$443 million during the third quarter of 2007 from N\$516 million recorded during the preceding quarter. The payments made for transport services offered also increased quarter-on-quarter by 7.1 percent, further reducing the net inflow position of the services account.

During the third quarter of 2007, like in the preceding quarter, a net outflow was realized in the category investment income. Net investment income recorded a higher outflow of N\$474 million, compared to a net outflow of N\$14 million during the preceding quarter. This is, however, lower when compared to a net outflow of N\$548 million recorded during the corresponding quarter of the preceding year. This is mainly on account of higher dividends payments to non-resident shareholders during the third quarter of 2007.

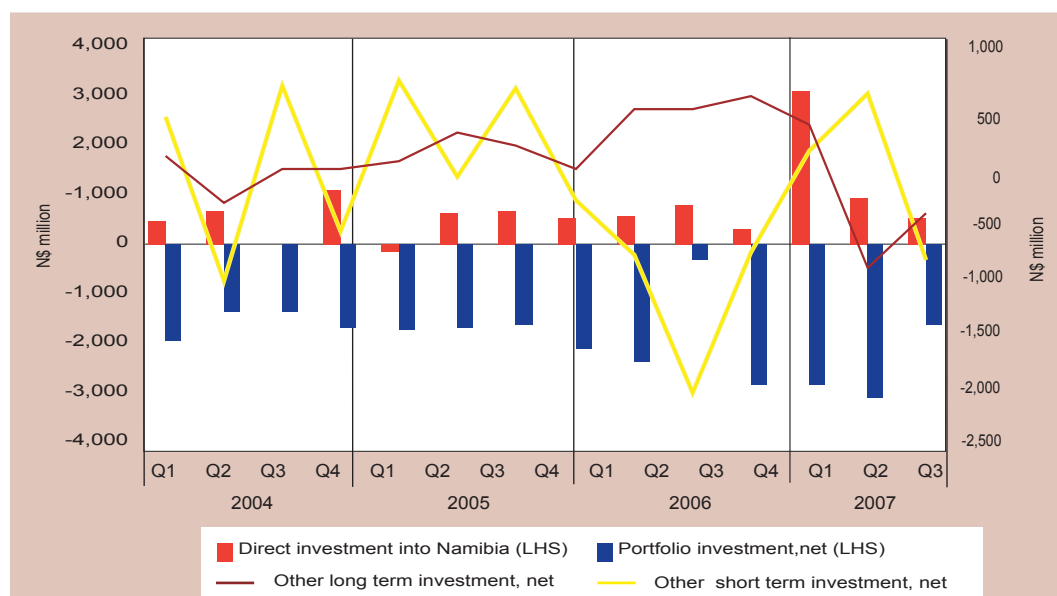
Net current transfers receivable during the third quarter of 2007 declined, quarter-on-quarter, by 19 percent to N\$1.6 billion. The decline is mainly due to a decrease in public transfers received, especially from SACU, which declined from N\$1.9 billion during the preceding quarter to N\$1.5 billion during the third quarter of 2007.

<sup>10</sup> Data for this chart has been revised since the September 2007 quarterly bulletin as the data submitted had some errors.

6.3 CAPITAL AND FINANCIAL ACCOUNT

The capital and financial account deficit recorded during the preceding and corresponding quarters continued in the third quarter of 2007. The deficit in the third quarter of 2007 was lower than that of the preceding quarter, but higher than that of the corresponding quarter. This higher deficit in the third quarter was a result of a relatively high net outflow in the category other short-term investments (Chart 6.6).

Chart 6.7 Capital and financial account sub-accounts



Direct investment into Namibia slowed down in the third quarter of 2007 both quarter-on-quarter, and year-on-year. Quarter-on-quarter, this category declined by N\$451 million to N\$508 million and year-on-year, by N\$291 million. Although equity capital and retained earnings both rose on a quarterly basis, increased reduction in loans from non-resident direct investors moderated the effect of the former. Equity capital rose on a quarterly basis by N\$153 million to N\$311 million while that for reinvested earnings increased by N\$126 million to N\$753 million.

Increased equity capital and reinvested earnings, as well as a relatively large reduction in foreign liabilities in the form of loans is a positive phenomenon. This is partly an indication that investments in the real sector of the economy, in general, by foreign owned enterprises have been profitable. This type of result in direct investments into Namibia is a positive sentiment during times when more companies, especially in mining are undertaking extensive mineral explorations for further investments.

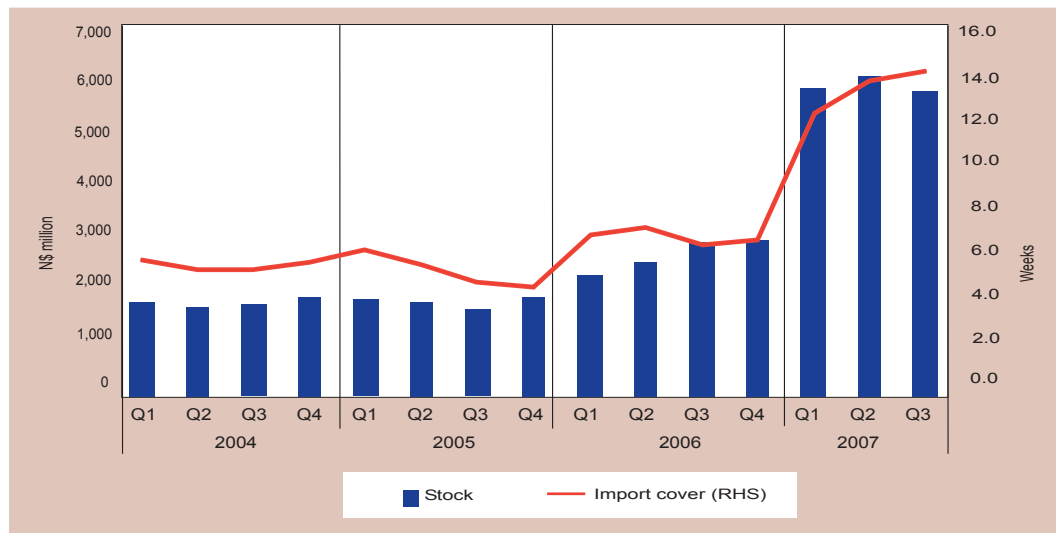
Over the same period, portfolio investment continued recording net outflows though lower than those in the preceding quarter, but higher than in the corresponding period. The net outflow of this category declined in the third quarter on a quarterly basis by N\$1.5 billion to N\$1.6 billion but rose on a yearly basis by N\$1.3 billion. The decline was largely a reflection of a slowdown in investments made in equity and debt instruments. Investments made in equity instruments fell on a quarterly basis by N\$1.1 billion to N\$1.2 billion. Accordingly, investments in debt instruments declined by N\$367 million to N\$420 million.

During the same period, investments of the category, other long-term recorded a net outflow, which was lower than that reported for the preceding quarter. This was, however, a reverse of the net inflow in the corresponding quarter. On a quarterly basis, net outflows in 'other long-term investment' declined by N\$469.1 million to N\$479 million. On a yearly basis, however, as alluded to already, other long-term investments reversed from a net inflow of N\$425 million. Contributing to this outcome was mainly a reduction in the sub-category other sector liability outflows that dropped by 48.9 percent.

Other short-term investment, recorded a net outflow during the third quarter of 2007, which compares to a net inflow during the preceding quarter. On a quarterly basis, the category recorded a net outflow of N\$890 million. The net outflow, however, declined, year-on-year from N\$2.0 billion in the corresponding quarter. The foregoing development originated from the banking sectors' excess liquidity position, which resulted in significant outflows under both assets and liabilities.

The above developments in the major accounts of the balance of payments caused the surplus in the overall balance of the balance of payments. The overall surplus of the balance of payments improved on a quarterly basis by N\$60.1 million to N\$302 million. On a yearly basis, the surplus in the overall balance of the balance of payment, however, fell by N\$81.6 million during the third quarter of 2007. Further the stock of international reserves under the control of the Bank of Namibia was N\$5.7 billion, representing 11.9 weeks of import cover (Chart 6.7). This is a decline from 13 weeks import cover in the preceding quarter, but much higher when compared to 6.5 weeks in the corresponding quarter.

**Chart 6.8 Quarterly international reserves stock and import cover**



6.4 EXTERNAL DEBT<sup>11</sup>

At the end of the third quarter of 2007, the total stock of foreign debt for Namibia was estimated at N\$6.2 billion, a decline of N\$562 million, quarter-on-quarter, and N\$94 million, year-on-year (Table 6.1).

Table 6.1 Namibia's total foreign debt (N\$ million)

	2006				2007		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Foreign Debt Outstanding</b>	<b>9,199</b>	<b>6,216</b>	<b>6,113</b>	<b>9,910</b>	<b>9,508</b>	<b>6,769</b>	<b>6,207</b>
Central Government	1,843	2,381	2,676	2,526	2,710	2,769	2,958
Parastatals	1,334	1,442	1,510	1,477	1,517	1,489	1,227
Private sectors	6,022	2,393	1,927	5,907	5,281	2,511	2,022
<b>Foreign debt services</b>	<b>648</b>	<b>570</b>	<b>688</b>	<b>793</b>	<b>404</b>	<b>408</b>	<b>1,062</b>
Central Government	29	46	95	51	55	57	65
Parastatals	25	5	3	1	8	72	11
Private sectors	594	519	590	740	341	279	987
<b>Percentage</b>							
Outstanding debt Q-on-Q	7.7	-32.4	-1.7	62.1	-4.0	-28.8	-11.1
Debt service Q-on-Q	8.9	-12.0	20.7	15.3	-49.0	1.0	160.2
Debt service to exports FoB	16.6	13.2	14.6	15.7	8.4	8.6	21.3
Memorandum item							
Exports FoB	3,900	4,315	4,696	5,037	4,834	5,575	6,122

The decline, quarter-on-quarter, in the stock of outstanding foreign debt at the end of the third quarter of 2007, is mainly due to the decrease by N\$489 million in the outstanding stock for the private sector debt. The reduction in total stock for foreign debt is further explained by the decrease in foreign debt stock of parastatals, which fell by N\$262 million to N\$1.2 billion (Table 6.1).

Foreign debt servicing, on the other hand, rose during the third quarter of 2007, both on a quarterly and yearly basis, though the rise was lower, year-on-year. Private sector debt service rose to N\$987 million during the third quarter of 2007 from N\$279 million in the second quarter and from N\$590 million at the end of the corresponding period in 2006. Debt servicing of parastatals, on the other hand, decreased to N\$11 million from N\$72 million in the second quarter of 2007. As

<sup>11</sup> The external debt analyzed under this section (section 6.4) is only limited to loans requiring making repayments over time, and excludes other types of external liabilities, for example, loans extended to each other between related enterprises, which is captured under the sub-category 'other capital', etc. The exclusion is because such type of loans constitutes different arrangements with special treatment/s afforded to each other, which is different from any ordinary type of loan.

a percentage of merchandise exports<sup>12</sup>, debt service declined to 5.8 percent from 13.7 percent recorded during the second quarter of 2007. When compared to 6.8 percent recorded during the corresponding quarter of 2006, debt service as a percentage of merchandise exports also declined.

### 6.5 INTERNATIONAL INVESTMENT POSITION

The international investment position (IIP) in Namibia continued reflecting the dominance of foreign investment assets over foreign investment liabilities (Table 6.2). The former is mainly in the form of portfolio-and other investment, while the latter is predominately direct investment into Namibia and other investment. At the end of the third quarter of 2007, the IIP net asset position for Namibia is estimated to have increased both on a quarterly and yearly basis (Table 6.2).

**Table 6.2 International investment position (N\$ million)**

	2005	2006				2007		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Assets</b>	29,840	35,791	40,622	44,922	41,676	45,950	54,641	51,283
Direct investment abroad	162	198	796	852	51	121	74	66
Portfolio investment	25,901	30,895	34,479	37,715	31,412	30,881	37,649	33,511
Other investment	1,916	2,445	2,853	3,478	7,274	9,209	10,938	12,027
International reserves <sup>13</sup>	1,861	2,253	2,494	2,877	2,939	5,739	5,980	5,679
<b>Liabilities</b>	26,083	27,908	26,123	26,112	31,343	30,591	33,484	28,564
Direct investment in Namibia	15,518	16,195	16,918	18,052	19,416	18,803	24,428	20,432
Portfolio investment <sup>14</sup>	585	584	584	584	584	584	584	584
Other investment	9,981	11,129	8,621	7,476	11,343	11,204	8,472	7,548
<b>Net asset (+)/liability (-)</b>	3,757	7,883	14,499	18,810	10,333	15,359	21,157	22,719

The asset position at the end of the third quarter of 2007 declined on a quarterly basis by 6 percent to N\$51.3 billion. The decline was reflected in a decrease in portfolio investment by 11 percent, quarter-on-quarter to N\$33.5 billion. This was driven by both declines in equity and debt investment instruments, though portfolio investment in South Africa also continued attracting institutional investments from Namibia. Other investment, however, rose by 10 percent, moderating the effect of the rise in portfolio investment on the total asset position of the IIP. This was an outcome of increased investment in currency and deposits, as well as a rise in long term loans extended by resident banks. In contrast, the positions for the other types of investment, namely international reserves and direct investment abroad fell, quarter-on-quarter.

<sup>12</sup> Debt service as a percentage of merchandise exports is a good measure of how serviceable debt is because higher growth rates in exports builds up international reserves, which in turn are used to service foreign debt. So, the lower the percentage ratio the better.

<sup>13</sup> This refers to the official reserves in control of the Bank of Namibia, and excludes reserves held at the other depository corporations.

<sup>14</sup> The estimates for this category is kept constant due to lack of data. However, the Bank has identified two sets of data sources that will be used as from the first quarter of 2008.

The total liability position of the IIP fell on a quarterly basis by N\$5.0 billion to N\$28.5 billion at the end of 2007. This outcome was driven by a decline in direct investments in Namibia of about N\$3.9 billion and that of N\$998 million in the other investment. The decline in direct investment into Namibia was mainly due to a substantial decrease in equity capital. The decrease in other investment came as a result of the repayment of loans by parastatals and resident banks that ultimately reduced the outstanding stock of debt for the two categories.

As a result, the IIP for Namibia recorded a net asset position at the end of the third quarter of 2007 of about N\$22.8 billion. This is an increase both on a quarterly and yearly basis. This outcome is a reflection of the increasing dominance of investments, particularly in portfolio instruments in South Africa.

### 6.6 EXCHANGE RATES<sup>15</sup>

The Namibia dollar (NAD) exchange rate weakened on a quarterly basis against the US Dollar, Pound Sterling and Euro during the third quarter of 2007 (Table 6.3). This is a turnaround specifically against the US Dollar, which recorded appreciations during the first two quarters of 2007. The Namibia dollar depreciated by 0.1 percent, 1.8 percent and 2.0 percent against the US Dollar, Pound Sterling and Euro, reaching a quarterly average of N\$7.1115, N\$14.3617 and N\$9.7689, respectively (Table 6.3).

The depreciation in the NAD during the third quarter of 2007 is attributed to the negative perception of investors, which was caused by the turmoil in the US sub-prime mortgage market. Further, the market expected the Repo rate to remain unchanged in August and thus the investors' reaction of withdrawing investments from the CMA before the announcement, causing the Rand to weaken.

**Table 6.3 Exchange rates- NAD per respective foreign currencies**

Period	Quarterly averages			Changes (%)					
				Quarter-on-quarter			Year-on-year		
	US\$	GBP	Euro	US\$	GBP	Euro	US\$	GBP	Euro
2005									
Q4	6.5307	11.42	7.7679	0.3	-1.7	-2.2	7.8	-0.4	-0.9
2006									
Q1	6.1537	10.7849	7.4038	-5.8	-5.6	-4.7	2.6	-5	-6
Q2	6.4489	11.7852	8.1102	4.8	9.3	9.5	0.6	-0.9	0.5
Q3	7.1498	13.3986	9.1131	10.9	13.7	12.4	9.8	15.4	14.8
Q4	7.3161	14.0168	9.4355	2.3	4.6	3.5	12	22.7	21.5
2007									
Q1	7.2350	14.1423	9.4837	-1.1	0.9	0.5	17.6	31.1	28.1
Q2	7.1040	14.1105	9.5750	-1.8	-0.2	1.0	10.2	19.7	18.1
Q3	7.1115	14.3617	9.7689	0.1	1.8	2.0	-0.5	7.2	7.2

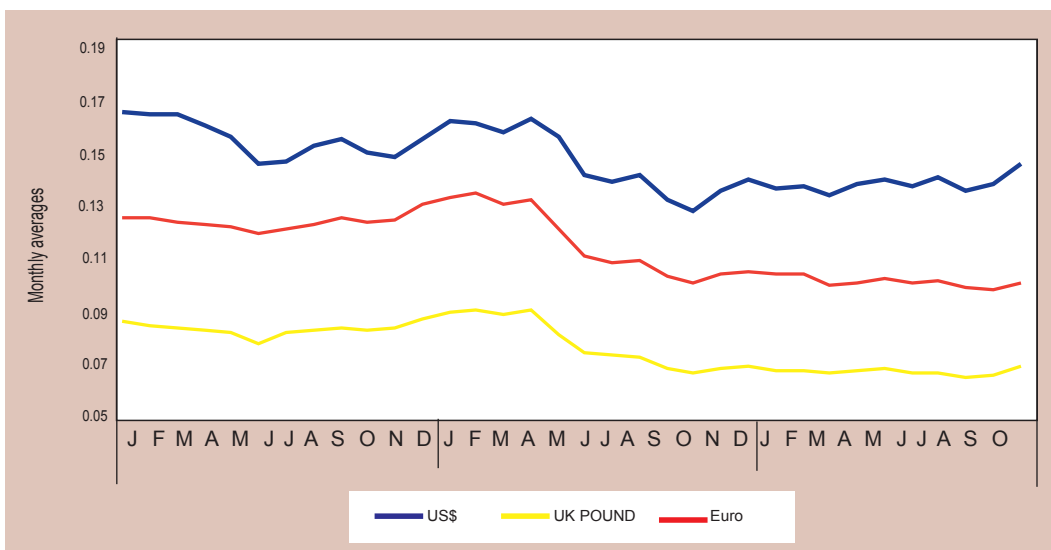
Source: SARB

<sup>15</sup> The Namibia dollar (NAD) trades one to one against the South African Rand (ZAR) and is therefore referred to interchangeably against other international currencies. The rates being referred to are period averages of mid rates.

Year-on-year, the NAD continued depreciating against the above mentioned currencies except against the US Dollar. On a year-on-year basis, the NAD appreciated against the US Dollar by 0.5 while it depreciated against both the Pound Sterling and Euro by 7.2 percent.

Further, the cause of the financial market turbulence observed during the third quarter of 2007 was reversed during the month of October 2007. The reversal was caused by higher commodity prices and improved interest rate differentials relative to other economies, following the hike in the repo rate. The NAD in October traded at a monthly average of N\$6.7729, N\$13.8408, N\$9.6371 against the US Dollar, Pound Sterling and Euro, respectively (chart 6.8). This is an appreciation month-on-month of 4.9 percent, 3.7 percent and 2.6 percent, respectively against the above mentioned currencies.

**Chart 6.9 Foreign currencies per Namibia Dollar**



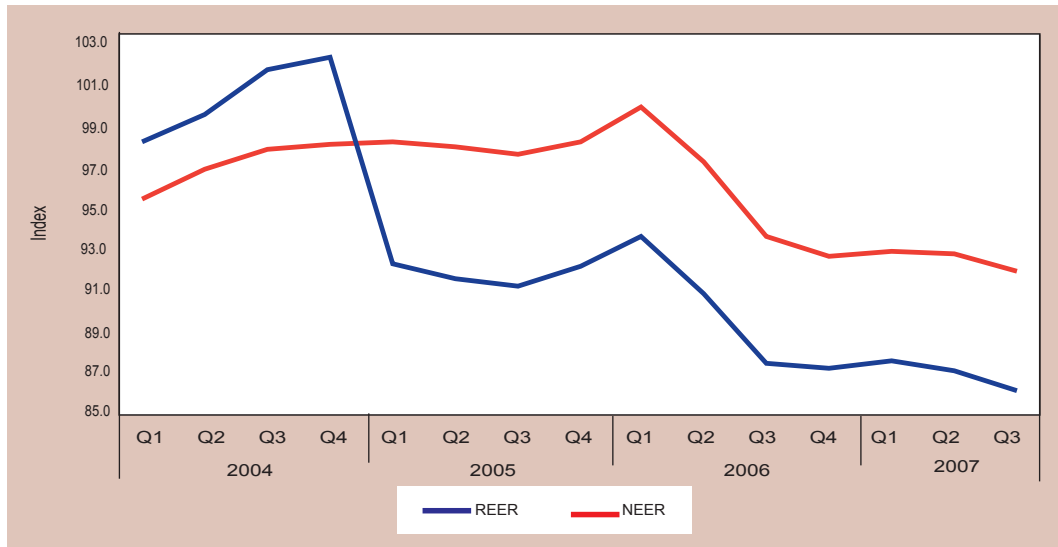
Source: SARB

**Trade weighted effective exchange rates<sup>16</sup>**

The depreciation of the NAD against the major currencies, coupled with the relatively high inflation although it slightly subdued in the third quarter, led to the depreciation on the trade weighted front. The depreciation on the trade weighted front was observed since the first quarter of 2007 (Chart 6.9).

<sup>16</sup> The NEER is a trade weighted index of the nominal exchange rate of the Namibia Dollar against the currencies of Namibia’s major trading partners, viz., Yen, Rand, Pound sterling, Euro and US Dollar. The REER, on the other hand, takes the NEER and deflates it with the relative consumer price index, of Namibia and each of the major trading partners, viz., South Africa, USA, Germany, Spain, Japan and UK

Chart 6.10 Trade weighted effective exchange rate index<sup>17</sup>



The nominal effective exchange rate index (NEER) of the Namibia dollar depreciated when compared to the preceding quarter when it recorded an index of 92.4 during the third quarter of 2007, lower than 93.2 of the preceding quarter. Similarly, the real effective exchange rate index (REER), declined by 1.0 percent to reach an index of 86.9. The real depreciation as measured by the decline in REER approximates the magnitude of the gain in competitiveness of certain Namibian exports on the international markets.

<sup>17</sup> The NEER is a trade weighted index of the nominal exchange rate of the Namibia Dollar against the currencies of Namibia’s major trading partners, viz., Yen, Rand, Pound sterling, Euro and US Dollar. The REER, on the other hand, takes the NEER and deflates it with the relative consumer price index, of Namibia and each of the major trading partners, viz., South Africa, USA, Germany, Spain, Japan and UK.



**BANK OF NAMIBIA**

**RESEARCH DEPARTMENT**

**REVISION POLICY: BALANCE OF PAYMENTS**

By their very nature, macroeconomic statistics such as the balance of payments statistics are derived from a variety of sources and methods. This means that, while these statistics are compiled using standard double-entry accounting concepts, the two sides to the underlying transactions often originate from different sources of varying quality, coverage and timeliness. It follows that, not only will there be differences in the sum of the corresponding debit and credit entries in the resulting data (leading to net errors and omissions in the accounts), but inevitably there will also be revisions to the data as new or improved data come to hand over time. These revisions will be published in either the Quarterly Bulletin or Annual Report in a separate table and will be clearly identified, together with the reasons for the revision. This will assist users in assessing the reliability of the original estimates when compared with the revised estimates, and to easily identify major revisions to series and their causes. Such revisions will most likely affect data for the year preceding the latest year, but earlier periods could be affected especially if a major new source or method has been identified for a particular series. In such cases, the series will be revised as far back as is feasible to give users the most consistent time series possible. It should also be noted that revisions affect the corresponding quarterly estimates and, if significant, will be made as soon as practicable after they have been identified. This means that revisions to the affected series may be reflected first in the Quarterly Bulletin, and tables in the latter publication will now show annual data for the latest three years as the corresponding sum of quarters for the relevant balance of payments series.

**REVISION ON THE QUARTERLY BALANCE OF PAYMENTS  
DATA FOR THE THIRD QUARTER OF 2007**

**Table 6.4 Balance of payments revised data for the second quarter of 2007  
(N\$ millions)**

	As published in September 2007 Quarterly Bulletin	As published in December 2007 Quarterly Bulletin	Discrepancy
<b>Current account</b>			
Merchandise trade balance	-186	443	257
Investment income	-207	-14	193
<b>Capital and financial account</b>			
Other investment long term, net	102	-948	1050

On the current account, the revision resulted in the switch from a deficit to a surplus in the merchandise trade sub-account following a relatively high revision value of export data, and in lower net outflow of investment income (Table 6.4). On the capital and financial account, revision was made to other investment long term, particularly on other sectors sub-category. As a result, other investment long term switched significantly by about N\$1.1 billion from inflow to outflow of N\$948 million. For both capital and financial account and current account, revisions were made mainly on account of improved coverage and response rate in the revised data.

## 7. SPEECHES

### PRESS STATEMENT

11 October 2007

Monetary Policy Statement by the Bank of Namibia

#### 1. Introduction

The Bank of Namibia held its monetary policy meeting on 10 October 2007 to consider its monetary policy stance to be pursued over the next two months. In doing so, the Bank assessed current inflation trends and evaluated recent domestic and international developments. While the Bank remains concerned about the high rate of inflation in the country, there are encouraging signs as witnessed in the recent moderation in the inflation rate. This moderation could mainly be attributed to a decrease in transport inflation, although food price inflation continues to put upward pressure on the overall price level. It is reassuring to note that even when transport inflation is omitted from the consumer price index, the remaining inflation components started to depict a downward trend, suggesting a moderation in over all demand conditions. Nevertheless, the Bank remains concerned about the upside risks to inflation due to volatility in the international fuel prices and uncertainties with regard to the food price outlook. In this connection, the policy focus of the Bank of Namibia continues to ensure price stability in support of overall growth and development.

#### 2. Developments in the Real Sector

Developments in the global economy remain relatively satisfactorily with strong growth during the first half of 2007 on the back of robust performance in major emerging market economies, notwithstanding the recent turmoil in the financial markets. There has been a shift away from the US as the key driver of global economic growth, with the major emerging market economies, such as Brazil, Russia, India, China and South Africa (BRICS), estimated to account for more than half of global output in 2007. The US economy picked up pace in the second quarter of 2007, largely due to higher government consumption, inventory and non-residential investments in contrast to lower residential investments and private consumption that cooled down. The developments in the US housing market are expected to negatively influence private consumption and residential investment, going forward. The Euro-zone growth – although lower than expected – was supported by higher export earnings and expenditure on investment. Japan, on the other hand, recorded weaker growth due to a slowdown in private consumption and private residential investment. Developing and emerging markets, nevertheless, continue to display solid growth on the back of ongoing strong performance of China and India. The South African economy continues to remain robust, with a real GDP growth rate of 4.5 during the second quarter of 2007, albeit slightly lower than the 4.7 percent recorded in the first quarter of 2007. It was also observed that metal prices, such as copper and zinc, have started to weaken in recent months, suggesting that global growth could slow down in 2008. It is also not clear how the recent turbulence in financial markets would impact on global growth. In addition, high oil prices and commodity prices related to bio-fuels will continue to pose an upside risks to the global inflation outlook.

The Namibian economy continues to perform satisfactorily and there has been a noticeable slowdown in domestic demand indicators, such as vehicles sales, building plans passed and completed, and bank credit extension to the private sector. Available sectoral indicators point to a mixed growth performance, compared to what was reported at the last meeting, as some sectors were doing well whilst others performed disappointingly. The construction; transport and communication; and financial intermediation sectors, in particular, performed exceptionally well during the second quarter of 2007. Other sectors, such as agriculture, hunting and forestry, as well as electricity and water also displayed robust growth, albeit at lower rates than in the preceding quarter. The growth in the mining and quarrying sector slowed more significantly as reflected in a decline of output growth during the second quarter relative to the first quarter. This is also evident in the hotels and restaurants category, which showed a significant slowdown in real growth. In addition, the wholesale and retail trade sector also continued to reflect prevailing market conditions by displaying slower growth.

### 3. Credit Extension to the Private Sector

Growth in credit extended to the non-government sector continued to display a downward trend. For instance, the annual growth rate in credit extension to the non-government sector slowed from 13.4 percent at the end of June 2007 to 12.4 percent at the end of August 2007.

The downward movement in the growth of credit extension was reflected in credit extended to both businesses and individuals. The annual growth in credit to businesses at the end of August was 9.7 percent, while that for individuals stood at 13.9 percent. The corresponding rates for June 2007 were 10.1 percent and 15.2 percent, respectively. It is worth noting that growth in mortgage credit decelerated to a rate of 21.9 percent during August 2007, from 26.5 percent recorded in June 2007. Growth in credit to other asset-backed categories, such as vehicles sales, also slowed in the month of August. Additionally, growth in instalment credit also slowed from 9.3 percent in June 2007 to 8.3 percent in August 2007. In line with the decelerated growth in credit extension, the downward trend in the growth of other demand indicators continues, such as the lower number of new vehicles sales, for which growth slowed to a monthly rate of 3.6 percent and an annual rate of 1.5 percent during August 2007. The comparative rates in July were 4.2 percent and 3.1 percent, respectively.

### 4. Inflation Developments

Since the monetary policy meeting held in August this year, inflation has moderated to 6.7 percent in September from 6.8 percent in August and from 7.2 percent in July, which could be attributed to the tight monetary policy stance pursued since the middle of last year.

The moderation in inflation was mainly due to the decline in transport inflation, which decelerated from an annual rate of 7.2 percent in July 2007 to 4.8 percent in September 2007. This could largely be attributed to the categories "operation of personal transport equipment" and "public transportation services", which substantially declined from annual rates of 12.5 percent and 8.5 percent in July 2007 to 6.6 percent and 0.7 percent in September, respectively. Food price inflation, however, continues to put pressure on the consumer price index fuelled by a combination of factors including by the increased demand for bio-fuels, the general increase demand for food from rapidly growing emerging markets and adverse supply shocks resulting from unfavourable weather conditions.

The persistent high and volatile international oil price continues to be a worrying factor that drives inflation in a number of net oil-importing countries, including Namibia. The renewed hope in the growth prospects of the US and the upcoming winter season, as well as the demand expectations in the US, following a crude oil inventory decline, has resulted in the international price of crude oil hovering around US\$82 per barrel for the month of September 2007. It is, however, worth noting that domestic pump prices are not likely to increase within the short-term. Thus, more price pressure is not expected from this component in the short-term.

The South African Production Price Index (PPI), being a leading indicator for consumer price inflation in both South Africa and Namibia, showed a moderation of 9.4 percent during August 2007 compared with the 10.3 per cent during the preceding month, notwithstanding the pressure from agricultural food prices. Despite the slowdown in the last couple of months, the PPI continues at disturbingly high levels and, therefore, remains a threat to future inflation. The PPI, and its concomitant impact on CPI, is expected to increase due to volatile oil prices and an expected increase in food prices.

Having considered the latest inflation developments, forecasts and expectations, the Bank of Namibia considers the risks to the outlook for inflation in the short term to continue to remain tilted to the upside. Inflationary pressures are persisting, largely on account of volatile crude oil prices and food prices. Seasonal factors, such as increased household spending and increase in school fees, also pose a threat to inflation for the fourth quarter of 2007 and the first quarter of 2008, respectively.

#### 5. Monetary Policy Stance

The risks to inflation from the demand side have considerably moderated over the last few months, as was witnessed by the slowing growth in private sector credit extension and lower vehicles sales. Nevertheless, rising food prices and international oil prices continue to pose major risks to the domestic inflation outlook. In general, the risk to growth seems to be balanced, although risks to inflation are weighted slightly on the upside in the short term. On balance, therefore, it appears as if an increase in the Bank rate at this stage could run the risk of unnecessarily depressing domestic demand, which may hinder real sector growth. However, in view of the need to maintain orderly capital and money markets within the Common Monetary Area and the decision by the South African Reserve Bank to increase their repo rate, the Bank of Namibia decided to increase the Bank rate by 50 basis points from 10.00 per cent per to 10.50 per cent per annum, effective 12<sup>th</sup> October 2007.

Tom K. Alweendo

**Governor**

**“TOWARDS ECONOMIC COMPETITIVENESS FOR NAMIBIA”**  
**ANNUAL ADDRESS OF THE GOVERNOR OF THE BANK OF NAMIBIA,**  
**MR. TOM ALWEENDO, 7 NOVEMBER 2007**

The Honorable Speaker of the National Assembly

Honorable Ministers and Members of Parliament

The Mayor of the City of Windhoek

Members of the Bank of Namibia Board

Members of the Media

Distinguished invited guests

Ladies and Gentlemen,

1. I am happy to welcome you all to our Annual Dinner. This event has become a permanent feature on the Bank’s calendar and is meant to provide a forum where we share ideas and information with our stakeholders on key issues that affect our economy. Tonight, my presentation will focus on economic competitiveness and its importance to sustainable economic growth. This is an important subject matter given the fact that Namibia’s competitiveness has been declining over the last few years.

2. The globalization of the world economy has brought the issue of competitiveness into sharp focus, more particularly for small developing economies such as Namibia. With the emergence of economies with lower production costs such as Vietnam, the challenge of the global market place has clearly been heightened. Before proceeding further, I would like to share with you some information on the recent economic developments at the global level and in Namibia.

Recent Economic Developments

3. Notwithstanding tight monetary conditions world-wide and concerns about the US sub-prime market, the global economy continued to expand at a healthy pace during the first half of 2007. It is worth noting that in 2007 global growth has been mainly driven by emerging market economies such as China, India, Russia, Brazil and South Africa. According to the IMF, China, India and Russia accounted for about 50 percent of total increase in global output during 2007. The traditional engines of global growth consisting of North America, Europe and Japan, did not do so well in 2007. For instance, it is estimated that growth of the US economy will be below 2.0 percent, and the Japanese growth will also be in the order of 2.0 percent. The Euro area is projected to grow at 2.5 percent.

4. Going forward, the IMF in its October 2007 World Economic outlook has revised downward its global growth forecast for 2008 to 4.8 percent from 5.2 percent for 2007. The revised forecast is mainly influenced by the recent financial turbulence which poses a significant threat to the global financial stability. Of particular concern is the developments in the US sub-prime mortgage market, which continues to adversely affect global financial markets. Another factor that continues to pose a risk to the outlook is the persistent high and volatile international oil price. Thus far high oil prices did not impact negatively on

overall growth, partly because the increase in oil prices has been largely demand driven. Nevertheless, with oil prices nearing US\$100 dollar per barrel, there is increasing concern about its impact on global growth. It is also worth mentioning that due to persistent high oil prices, alternative sources of energy such as bio-diesel have increasingly become more attractive. The downside, however, of this development is that this diversion of agricultural land to bio-diesel production is putting upward pressure on agricultural commodities such as maize and wheat. These are products that are predominantly consumed by the poor.

5. On the domestic front, the Namibian economy continues to grow moderately, with output growth expected to be in the order of 4.0 percent in 2007. This growth would mainly be underpinned by strong performance of the mining sector in particular uranium production, while the performance of other sectors is expected to be rather subdued. While the GDP growth has been relatively healthy over the past few years, it has not been sufficient enough to make a significant impact on unemployment or poverty alleviation. Indeed, the unemployment rate remains high and is estimated at over 30 percent of the economic active population.

6. Like other net oil-importing countries, Namibia has been confronted by the challenge of stronger inflationary pressures mainly due to high food and international oil prices. The annual average inflation rate reached 6.7 percent during the first nine months of 2007, compared to an average of 4.7 percent during 2006. The increase in food price inflation has been driven by three inter-related factors, namely the diversion of wheat and maize production for purposes of producing bio-diesel in the face of high oil prices; regional droughts in key maize and wheat producing countries; and increased demand from the fast growing emerging market economies. To restrain inflationary pressures, the Bank of Namibia increased the Bank rate by 350 basis points since mid 2006 to reach 10.50 percent in October 2007. It is encouraging to note that inflationary pressures, especially transport inflation, have started to abate since August 2007. Nevertheless, going forward, inflationary pressures are expected to continue due to upside risks such as the volatility in international oil prices and high domestic food prices.

What is competitiveness and why it is important for growth and improved standards of living?

7. Ladies and Gentlemen, coming back to tonight's topic let me begin by saying that Namibia's recent macroeconomic performance seems to imply a comfortable level of competitiveness. For instance, between 2000 and 2006 Namibia's average output growth of 4.5 percent exceeded that of other CMA members and of sub Saharan Africa as a whole and inflation has been low. Fiscal policy has been generally prudent with the Government recording a budget surplus for the first time in 2006/07 fiscal year, and the external current account recorded healthy surpluses. It is also noteworthy that our international reserves almost doubled between 2005 and 2007 and is now in the order of three months of import coverage.

8. While Namibia still scores relatively well in most of the macroeconomic indicators, its global ranking has been steadily falling. That is a clear indication that macroeconomic stability alone is not sufficient to ensure high economic growth. There is therefore a need to look at a number of micro-level issues that affect our competitiveness negatively.

9. Namibia's comprehensive picture of its competitiveness can be understood by looking at our Global Competitiveness Index; the World Governance Indicators; and the Doing Business Indicators. With regard to the Global Competitiveness Index, Namibia's ranking has been falling in relative terms ever since we were first included in the index in 2001. The average slippage has been 5 points a year. Namibia's decline in 2004/05 was particularly pronounced, when its ranking fell by 11 points primarily due to significant deterioration in the sub-indices of public institutions and technology. In absolute terms, the country's overall competitiveness score dropped from a high of 4.0 in 2003 to a low of 3.7 in 2005. The Global Competitiveness Index classifies countries in three different stages of development according to GDP per capita in U.S. dollars. Lesotho for instance is in stage 1 and South Africa in stage 2, whereas Namibia is considered to be in transition from stage 1 to stage 2. However, for Namibia to achieve sustainable growth at stage 2, it would have to improve its scores in "efficiency enhancers" which include (i) higher education and training, (ii) market efficiency, and (iii) technological readiness. With respect to the World Governance Indicators, it is also worrying to note that from 1996 through 2005, Namibia's scores in this index fell, particularly with respect to the rule of law and control of corruption. These are areas where several sub-Saharan African countries have made progress. Regarding the Doing Business Indicators, Namibia's ranking of 42 in 2006 was the second highest in sub-Saharan Africa.

10. There is sufficient empirical evidence that shows that those countries that are more competitive were also among the wealthiest economies in the world as measured by GDP per capita. In the case of Namibia which is a small economy, competitiveness matters even more. As a small economy, we can only hope to grow the economy if we are able to export goods and services. For larger economies, they are also able to rely on local demand for economic growth.

#### Determinants of competitiveness and how Namibia fares

11. While there are many factors that influence a nation's competitiveness, allow me to highlight few important areas that are fundamental in influencing competitiveness.

12. First, any country that wants to prosper economically need to have a functioning legal system, especially with regard to the protection of property rights. It is my view that Namibia has functional legal system where the judiciary is independent and effective. The recent establishment of the Anti-Corruption Commission has further strengthened our position of a country with effective laws. However, there is a trend developing where we do not have sufficient legal personnel, often resulting in cases being postponed unnecessarily. If this trend were to become a permanent feature of our judiciary, we run the risk of damaging our competitiveness.

13. Second, institutional development is important in ensuring the performance of any economy and Namibia is no exception. For any economy to be competitive and therefore to grow faster, you need to have strong private and public institutions. It is of paramount importance that when staffing our institutions we must always ensure that we do so based on a meritocratic recruitment process. Many institutions that do fail they do so mainly because of inappropriate recruitment, especially at the management level. In such cases institutions are likely to disregard all the necessary governance issues and this is a recipe for failure. I will for example argue that most of the cases of mismanagement of financial resources in our public institutions are as a result of weak institutions.



14. Third, government regulations and procedures have a direct impact on business operations. Bureaucratic red-tape and regulations that cause long delays, for example in business start ups, result in increased financial costs and risks. Decisions by investors on locating businesses in the country would depend not only on the costs of doing business but also on the quality of services that contribute to the business environment. In this regard, there are many areas where Namibia is lagging behind, including the bureaucratic procedures for registering a business. An assessment of the investment climate by the World Bank ranks Namibia 86 compared to 30 for Mauritius. According to this assessment report, investors go through 10 procedures, and wait an average of 95 days to start up a new business in Namibia. This does not compare well with countries such as Australia, where business registration takes a mere two days. Surely, this can be improved. For example, the registration process can be computerised and procedures combined in order to achieve efficiency. Creating a friendly business environment for private sector activities, which is free of distortions and underpinned by efficient public institutions and transparent regulatory frameworks will certainly enhance the competitiveness of the Namibian economy.

15. Fourth, a committed and skilled labor force is crucial in achieving long-term competitiveness. A skilled labor force is key in improving productivity levels in any economy. Knowledge in the economy has clearly become an increasingly important factor in wealth creation than natural resources endowment. We are aware of countries with plenty of natural resources, but yet they remain poor and underdeveloped. Knowledge is becoming an important strategy for businesses not only to improve products and services but also to enhance productivity and efficiency. Indeed, knowledge like any other product has an expiry date and we therefore need to update our skills and knowledge on a continual basis. It is therefore, encouraging to note the Government's efforts to improve the quality of our education through the ETSIP program. We hope that the long-term result of this program is a skilled labor force that is able to compete globally.

16. According to the World Bank's assessment of the investment climate in Namibia (2007), labor productivity in Namibia is higher than in most other countries in Sub-Saharan Africa. The same assessment also indicated that total factor productivity in Namibia is higher when compared to the rest of SSA. Nevertheless, compared to other fast growing dynamic countries such as the Asian tigers, labor productivity remains an issue of concern that must be addressed as a matter of urgency. It is also interesting to note that the productivity gains came mainly from the private sector and that productivity in the public sector has remained stagnant. It has also been argued that Namibia's labor market is inflexible compared to dynamic fast growing economies and the recent amendments to the Labor Act, though socially welcome, may further stifle the labor market.

17. Fifth, a sound macroeconomic environment is necessary to support the economic growth process and to enhance economic competitiveness. A stable macroeconomic environment will help businesses to respond accordingly to the changes in market conditions, especially when making investment decisions. In this regard, the Namibian economy is healthy and relatively stable as evidenced by the GDP growth recorded over the past few years and the low level of inflation, which are underpinned by prudent fiscal and monetary policy. With regard to taxation, we are becoming less competitive. For example our corporate tax of 35 percent is relatively high when compared to those in the neighbouring countries. Such high taxes can impact negatively on investments and therefore contribute to low growth. It will be necessary to gradually bring our tax regime

in line with the region in order to become competitive in terms of attracting foreign direct investment.

18. Another area of competitiveness that we need to embrace fully is soft infrastructure, such as energy provision and information communication technology (ICT). No country can reasonably expect to industrialize its economy without a secure source of energy. We are currently finding ourselves in a situation where we are running out of power and this is a source of concern. The efforts being made by the relevant authorities to secure a long-term source of energy to adequately serve the economy is to be applauded. All nations in developing and advanced economies have become such extensive users of information and communications technologies that their economic success now depends on their continued wise promotion and deployment of these by their governments at a national level. Governments in the most economically advanced countries in the world are committed to using these technologies to continue enhancing their nations' competitiveness and to improve the internal operations of public agencies. Thoughtful policies and effective implementation of national economic development policies that integrate economic, social and technological strategies are essential to compete effectively in the globalized economy of the twenty-first century.

19. To conclude, a nation's prosperity depends on its economic competitiveness. Sound macroeconomic policies, a stable political environment and effective legal institutions are necessary but not sufficient conditions to ensure a prosperous economy. The sophistication of institutional operations and strategies and the quality of the microeconomic business environment in which companies compete are equally important. Clearly, there is no reason why Namibia should be slipping down the ranking indexes on competitiveness. The country's strengths are quite impressive in terms of the macroeconomic fundamentals, which include low level of inflation, low budget deficit, and overall financial stability. The weaknesses identified can be addressed easily through policy reform and interventions. It is therefore crucial that our political and business leaders take the necessary steps to improve our economic competitiveness. The absolute truth, ladies and gentlemen, is that without economic prosperity, Namibia as a nation will be of no consequence in the affairs of the world.

I thank you.

## 8. STATISTICAL APPENDIX

### 8.1 METHODS AND CONCEPTS

#### BALANCE OF PAYMENTS

##### Accrual accounting basis

This applies where an international transaction is recorded at the time when ownership changes hands, and not necessarily at the time when payment is made. This principle governs the time of recording for transactions; transactions are recorded when economic value is created, transformed, exchanged, transferred or extinguished.

##### Balance of Payments

The balance of payments (BOP) is a statistical statement that systematically summarizes, for a specific time period, the economic transactions of an economy with the rest of the world. Transactions, for the most part between residents and nonresidents, consist of those involving goods, services, and income; those involving financial claims and liabilities to the rest of the world; and those (such as gifts) classified as transfers. It has two main accounts viz, the current account, capital and financial account. Each transaction in the balance of payments is entered either as a credit/asset or a debit/liability. A credit/asset transaction is one that leads to the receipts of payment from non-residents. Conversely, the debit/liability leads to a payment to non-residents.

##### Capital and Financial Account

In the balance of payments, the capital account covers capital transfers and the acquisition or disposal of non-produced non-financial items such as patents. The financial account of the balance of payments consists of the transactions in foreign financial assets and liabilities of an economy. The foreign financial assets of an economy consist of holdings of monetary gold, IMF Special Drawing Rights and claims on non-residents. The foreign liabilities of an economy consist claims of non-residents on residents. The primary basis for classification of the financial account is functional: direct, portfolio, other investment and reserve assets.

##### Capital Transfers

Capital transfers in kind consists of the transfers without a quid pro quo of the (1) ownership of a fixed asset or (2) the forgiveness, by mutual agreement between creditor and debtor, of the debtor's financial liability when no counterpart is received in return by the creditor. Capital transfer in cash, on the other hand, is linked to or conditional on, the acquisition or disposal of a fixed asset by one or both parties to the transaction (e.g., an investment grant).

### Current Account

The current account of the balance of payments covers all transactions (other than those in financial account) that involve economic values, (i.e; real transactions) and occur between residents and non-resident entities. Also covered are offsets to current economic values provided or acquired without a quid pro quo. Included are goods, services, income and current transfers. The balance on goods, services, income and current transfers is commonly referred to as the “current balance” or “current account balance”.

### Current Transfers

Current transfers are all transfers of real resources or financial items without a quid pro quo and excludes transfers of funds directed for capital investments. Included are gifts of goods and money to or from non-residents viz, governments and private individuals. Current transfers directly affects the level of disposable income and should influence the consumption of goods and services.

### Direct Investment

Direct investment refers to a lasting interest of an entity resident in one economy (the director investor) in an entity resident in another economy (the direct investment enterprise), with an ownership of 10 percent or more of the ordinary shares or voting power (for an incorporated enterprise) or the equivalent (for an unincorporated enterprise).

### Double-entry accounting

The basic accounting conversion for a balance of payment statement is that every recorded transaction is represented by two entries with exactly equal values. Each transaction is reflected as a credit (+) and a debit (-) entry. in conformity with business and national accounting, in the balance of payment, the term: credit is used to denote a reduction in assets or an increase in liabilities, and debit a reduction in liabilities or an increase in assets.

### Goods

These are real transactions with change in the ownership of physical products and include consumer and capital goods.

### Income

Income covers two types of transactions between residents and nonresidents: (i) those involving compensation of employees, which is paid to non-resident workers (eg., border, seasonal and other short-term workers), and (ii) those involving investment income receipts and payments on external financial assets and liabilities. included in the latter are receipts and payments on direct investment, portfolio investment and otherinvestment and receipts on reserve assets. Income derived from the use of tangible asset e.g., car rental by a non-resident is excluded from income and is classified under services such as travel.

### Merchandise Trade Balance

This is net balance of the total export and import of goods excluding transactions in services between residents and non-residents. Trade balance is the net balance of the total export and import of goods including transactions in services between residents and non-residents.

### Net Errors and Omissions

The balance of payment accounting framework requires a balancing item as the measure of the difference between recorded credits/debits and omissions. This is called net errors and omissions'. Theoretically, it measures quality though in practice a zero/lower net errors and omissions could imply not necessarily good quality data but that debits and credits just cancelled each other.

### Other Investment

Other investment covers all financial instruments other than those classified as direct investment, portfolio investment or reserve assets.

### Overall Balance of Payments

A balance simply refers to the difference between the sum of credits and debit entries. The overall balance is a very simple concept but a powerful analytical tool often used by analysts. In the balance of payment, overall balance refers to the balance between the sum of the current account balance, the capital and financial account balance and net errors and omissions.

### Portfolio Investment

Portfolio investment includes trading in equity and debt securities (other than those included in direct investment and reserve assets). These instruments are usually traded (or tradable) in organized and other financial markets, including over-the-counter (OTC) markets.

### Reserve Assets

Reserve assets consist of those external assets that are readily available to and controlled by the monetary authority for the direct financing of payments imbalances, for indirectly regulating the magnitude of such balances through intervention in exchange markets to affect the currency exchange rate, and/or for other purposes.

### Residency

In the balance of payments, the concept of residency is based on a sectoral transactor's center of economic interest. Country boundaries recognized for political purposes may not always be appropriate for economic interest purposes. Therefore, it is necessary to recognize the economic territory of a country as the relevant geographical area to which the concept of residence is applied. An institutional unit is a resident unit when it has a center of economic interest in the territory from which the unit engages in economic activities and transactions on a significant scale, for a year or more.

## MONETARY AND FINANCIAL STATISTICS

### 3-MONTH BA RATE

The interest rate on a time draft (bill of exchange) drawn on and accepted by Other Depository Corporations on which it was drawn; the bank accepting the draft assumes the obligation of making payment at maturity on behalf of its client.

### Bank rate

The rate charged by the Bank of Namibia on advances on specific collateral to Other Depository Corporations. The Bank rate is the cost of credit to the banking sector and therefore eventually affects the cost of credit to the general public,

### Depository Corporations Survey

The Depository Corporations Survey is a consolidation of the Central Bank Survey and the Other Depository Corporations Survey.

### Bond

A security that gives the holder the unconditional right to a fixed money income or an income linked to some index, and except for perpetual bonds, an unconditional right to a stated fixed sum or a sum linked to some index on a specified date or dates.

### Broad Money Supply (M2)

Broad Money Supply (M2) is defined to include currency outside Depository Corporations, transferable and other deposits in national currency of the resident sectors, excluding deposits of the Central Government and those of the Depository Corporations.

### Transferable Deposits

These are deposits that are exchangeable without penalty or restriction, on demand and are directly usable for making third party payments.

### Other Depository Corporations (ODCs)

The ODC sub-sector consists of all resident financial corporations (except the Central Bank) and quasi-corporations that are mainly engaged in financial intermediation and that issue liabilities included in the national definition of broad money. There are currently seven financial intermediaries classified as financial intermediaries in Namibia, i.e. First National Bank of Namibia, Standard Bank of Namibia, Nedbank Namibia, Bank Windhoek, Agribank of Namibia, National Housing Enterprise and the Namibia Post Office Savings Bank.

### Deposit rate

The deposit rate refers to the weighted average deposit rate of the ODC's i.e. the rate that ODC's declare on other deposits (eg. time deposits).

### Dual-listed Companies

Refer to those companies listed and trading on two stock exchanges, such as the Johannesburg Stock Exchange as well as on the NSX.

### Lending rate

The lending rate refers to the weighted average lending rate, i.e. the rate charged by ODC's to borrowers.

### Local Market in terms of NSX

Only local (Namibian) companies listed on the NSX. Market Capitalisation

Market Capitalisation is the total market value of a company's issued share capital. It is equal to the number of fully paid shares listed on the NSX multiplied by the share price.

### Market Turnover

Volume of shares traded on the NSX multiplied by the share price. Market Volume

The number of shares traded on the NSX.

### Money Market rate

The money market rate refers to the inter-bank interest rate; the rate at which ODC's extend credit to each other.

### Mortgage rate

The rate charged on a loan for the purpose of financing construction or purchasing of real estate.

### Overall Market in terms of NSX

Refers to all companies, local as well as foreign, listed on the NSX. Prime rate

The rate of interest charged by Other Depository Corporations (ODC's) for loans made to its most credit-worthy business and industrial customers; it is a benchmark rate that banks establish from time to time in computing an appropriate rate of interest for a particular loan contract.

### Real Interest rate

The rate of interest adjusted to allow for inflation; the nominal interest rate less the rate of inflation for Namibia, is the real interest rate.

**8.2 STATISTICAL TABLES**

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Table I.1 Aggregate economic indicators

	2002	2003	2004	2005	2006
<b>Current prices</b>					
GDP (N\$ mil.)	32908	33842	36496	39711	46971
% Change	18.9	2.8	7.8	8.8	18.3
GNI (N\$ mil.)	33264	35574	37035	38996	46482
% Change	20.2	6.9	4.1	5.3	19.2
GDP per capita (N\$)	17220	17293	18239	20292	23580
% Change	15.9	0.4	5.5	11.3	16.2
GNI per capita (N\$)	17407	18178	18508	19926	23334
% Change	17.2	4.4	1.8	7.7	17.1
<b>Constant 1995 prices</b>					
GDP (N\$ mil.)	16494	17069	18201	19077	19854
% Change	6.7	3.5	6.6	4.8	4.1
GNI (N\$ mil.)	19054	18942	19282	20580	22483
% Change	8.6	-0.6	1.8	6.7	9.2
GDP per capita (N\$)	8631	8722	9096	9748	9967
% Change	4.1	1.1	4.3	7.2	2.2
GNI per capita (N\$)	9970	9679	9636	10516	11287
% Change	6.0	-2.9	-0.4	9.1	7.3

Source: Central Bureau of Statistics

**Table I.2 Gross domestic product and gross national income**  
**Current prices - N\$ millions**

	2002	2003	2004	2005	2006
Compensation of employees	12012	13051	13903	14937	16473
Consumption of fixed capital	4073	5303	5913	6585	6300
Net operating surplus	13794	12525	12863	14023	19594
<b>Gross domestic product at factor cost</b>	<b>29878</b>	<b>30879</b>	<b>32680</b>	<b>35581</b>	<b>42367</b>
Taxes on production and imports	3582	3104	4030	4367	4847
Subsidies	-552	-140	-213	-238	-244
<b>Gross domestic product at market prices</b>	<b>32908</b>	<b>33842</b>	<b>36496</b>	<b>39711</b>	<b>46971</b>
Primary incomes					
- receivable from the rest of the world	1803	2123	1483	955	1185
- payable to rest of the world	-1447	-391	-944	-1670	-1674
<b>Gross national income at market prices</b>	<b>33264</b>	<b>35574</b>	<b>37035</b>	<b>38996</b>	<b>46482</b>
Current transfers					
- receivable from the rest of the world	3202	3670	4529	4548	6771
- payable to rest of the world	-308	-203	-225	-286	-306
<b>Gross national disposable income</b>	<b>36158</b>	<b>39041</b>	<b>41339</b>	<b>43258</b>	<b>52947</b>
<b>Current prices - N\$ per capita</b>					
Gross domestic product at market prices	17220	17293	18239	20292	23580
Gross national income at market prices	17407	18178	18508	19926	23334
<b>Constant 1995 prices - N\$ millions</b>					
<b>Gross domestic product at market prices</b>	<b>16494</b>	<b>17069</b>	<b>18201</b>	<b>19077</b>	<b>19854</b>
- Annual percentage change	6.7	3.5	6.6	4.8	4.1
<b>Real gross national income</b>	<b>19054</b>	<b>18942</b>	<b>19282</b>	<b>20580</b>	<b>22483</b>
- Annual percentage change	8.6	-0.6	1.8	6.7	9.2
<b>Constant 1995 prices - N\$ per capita</b>					
<b>Gross domestic product at market prices</b>	<b>8631</b>	<b>8722</b>	<b>9096</b>	<b>9748</b>	<b>9967</b>
- Annual percentage change	4.1	1.1	4.3	7.2	2.2
<b>Real gross national income</b>	<b>9970</b>	<b>9679</b>	<b>9636</b>	<b>10516</b>	<b>11287</b>
- Annual percentage change	6.0	-2.9	-0.4	9.1	7.3

Source: Central Bureau of Statistics

**Table I.3 National disposable income and saving**  
**Current prices - N\$ million**

	2002	2003	2004	2005	2006
<b>Disposable income and saving</b>					
<b>Gross national disposable income</b>	<b>36158</b>	<b>39041</b>	<b>41339</b>	<b>43258</b>	<b>52947</b>
Consumption of fixed capital	4073	5303	5913	6585	6300
<b>Net national disposable income</b>	<b>32085</b>	<b>33738</b>	<b>35426</b>	<b>36673</b>	<b>46647</b>
All other sectors	24102	26012	25921	26045	33593
General government	7983	7727	9505	10628	13055
<b>Final consumption expenditure</b>	<b>26981</b>	<b>27766</b>	<b>30059</b>	<b>30617</b>	<b>33758</b>
Private	18289	18797	21031	20882	23204
General government	8692	8969	9027	9734	10554
<b>Saving, net</b>	<b>5105</b>	<b>5973</b>	<b>5367</b>	<b>6057</b>	<b>12889</b>
All other sectors	5813	7215	4889	5163	10388
General government	-708	-1242	478	894	2501
<b>Financing of capital formation</b>					
Saving, net	5105	5973	5367	6057	12889
Capital transfers receivable from abroad	431	512	501	509	576
Capital transfers payable to foreign countries	-4	-3	-3	-3	-3
<b>Total</b>	<b>5532</b>	<b>6482</b>	<b>5865</b>	<b>6562</b>	<b>13462</b>
<b>Capital formation</b>					
Gross fixed capital formation	6964	9867	9190	9727	12235
All other sectors	5876	8764	7974	8195	10510
General government	1087	1103	1216	1532	1725
Consumption of fixed capital	-4073	-5303	-5913	-6585	-6300
All other sectors	-3065	-4118	-4624	-5156	-4740
General government	-1008	-1185	-1289	-1428	-1560
Changes in inventories	-468	220	175	530	321
Net lending (+) / Net borrowing(-)	3110	1697	2414	2890	7207
All other sectors	3734	2859	1975	2215	5217
General government	-624	-1162	439	675	1993
Discrepancy on GDP 1)	-78	2790	693	-197	-799
Net lending/borrowing in external transactions	3032	4487	3107	2692	6408
<b>Total</b>	<b>5532</b>	<b>6482</b>	<b>5865</b>	<b>6562</b>	<b>13462</b>

Source: Central Bureau of Statistics

**Table I.4 (a) Gross domestic product by activity**  
**Current prices - N\$ million**

Industry	2002	2003	2004	2005	2006
Agriculture and forestry	1687	1814	1873	2398	2909
Commercial	1309	1353	1294	1681	1945
Subsistence	378	461	579	717	963
Fishing & fish processing on board	1608	1757	1547	1916	1958
Mining and quarrying	4565	2975	3489	3391	5518
Diamond mining	3427	2630	3048	2782	4054
Other mining and quarrying	1139	345	441	609	1463
<b>Primary industries</b>	<b>7860</b>	<b>6546</b>	<b>6909</b>	<b>7704</b>	<b>10385</b>
Manufacturing	3305	3870	4001	4055	5628
Meat processing	143	139	126	121	81
Fish processing on shore	703	876	750	466	608
Manufacture of other food products and beverages	1515	1650	1690	1772	1979
Other manufacturing	944	1205	1434	1696	2959
Electricity and water	854	1003	1197	1344	1250
Construction	725	1029	1100	1247	1743
<b>Secondary industries</b>	<b>4884</b>	<b>5901</b>	<b>6298</b>	<b>6646</b>	<b>8621</b>
Wholesale and retail trade, repairs	3428	3987	3985	4235	5191
Hotels and restaurants	576	648	653	670	724
Transport, and communication	2083	2382	2671	3019	3341
Transport and storage	1289	1409	1497	1639	1848
Post and telecommunications	794	973	1173	1380	1493
Financial intermediation	1088	1249	1213	1455	1562
Real estate and business services	2832	3156	3542	3764	4073
Owner-occupied dwellings	1449	1593	1748	1861	2024
Other real estate and business services	1382	1563	1794	1902	2048
Community, social and personal services	244	281	282	320	354
Producers of government services	6553	6863	7124	7752	8269
Other producers	558	606	647	673	721
<b>Tertiary industries</b>	<b>17361</b>	<b>19172</b>	<b>20116</b>	<b>21888</b>	<b>24236</b>
Less: Financial services indirectly measured	359	432	394	440	544
<b>All industries at basic prices</b>	<b>29747</b>	<b>31187</b>	<b>32930</b>	<b>35798</b>	<b>42698</b>
Taxes less subsidies on products	3161	2655	3567	3913	4273
<b>GDP at market prices</b>	<b>32908</b>	<b>33842</b>	<b>36496</b>	<b>39711</b>	<b>46971</b>

Source: Central Bureau of Statistics

**Table I.4 (b) Gross domestic product by activity**  
**Percentage contributions**

Industry	2002	2003	2004	2005	2006
Agriculture and forestry	5.1	5.4	5.1	6.0	6.2
Commercial	4.0	4.0	3.5	4.2	4.1
Subsistence	1.1	1.4	1.6	1.8	2.1
Fishing	4.9	5.2	4.2	4.8	4.2
Mining and quarrying	13.9	8.8	9.6	8.5	11.7
Diamond mining	10.4	7.8	8.4	7.0	8.6
Other mining and quarrying	3.5	1.0	1.2	1.5	3.1
<b>Primary industries</b>	<b>23.9</b>	<b>19.3</b>	<b>18.9</b>	<b>19.4</b>	<b>22.1</b>
Manufacturing	10.0	11.4	11.0	10.2	12.0
Meat processing	0.4	0.4	0.3	0.3	0.2
Fish processing	2.1	2.6	2.1	1.2	1.3
Manufacture of other food products and beverages	4.6	4.9	4.6	4.5	4.2
Other manufacturing	2.9	3.6	3.9	4.3	6.3
Electricity and water	2.6	3.0	3.3	3.4	2.7
Construction	2.2	3.0	3.0	3.1	3.7
<b>Secondary industries</b>	<b>14.8</b>	<b>17.4</b>	<b>17.3</b>	<b>16.7</b>	<b>18.4</b>
Wholesale and retail trade, repairs	10.4	11.8	10.9	10.7	11.1
Hotels and restaurants	1.7	1.9	1.8	1.7	1.5
Transport, and communication	6.3	7.0	7.3	7.6	7.1
Transport and storage	3.9	4.2	4.1	4.1	3.9
Post and telecommunications	2.4	2.9	3.2	3.5	3.2
Financial intermediation	3.3	3.7	3.3	3.7	3.3
Real estate and business services	8.6	9.3	9.7	9.5	8.7
Owner-occupied dwellings	4.4	4.7	4.8	4.7	4.3
Other real estate and business services	4.2	4.6	4.9	4.8	4.4
Community, social and personal services	0.7	0.8	0.8	0.8	0.8
Producers of government services	19.9	20.3	19.5	19.5	17.6
Other producers	1.7	1.8	1.8	1.7	1.5
<b>Tertiary industries</b>	<b>52.8</b>	<b>56.6</b>	<b>55.1</b>	<b>55.1</b>	<b>51.6</b>
Less: Financial services indirectly measured	1.1	1.3	1.1	1.1	1.2
<b>All industries at basic prices</b>	<b>90.4</b>	<b>92.2</b>	<b>90.2</b>	<b>90.1</b>	<b>90.9</b>
Taxes less subsidies on products	9.6	7.8	9.8	9.9	9.1
<b>GDP at market prices</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Central Bureau of Statistics

**Table I.5 (a) Gross domestic product by activity**  
**Constant 1995 prices - N\$ millions**

Industry	2002	2003	2004	2005	2006
Agriculture and forestry	975	1010	1019	1130	1175
Commercial	723	755	681	738	746
Subsistence	252	255	338	391	430
Fishing & fish processing on board	703	732	666	643	612
Mining and quarrying	1296	1237	1688	1665	1922
Diamond mining	942	909	1260	1217	1524
Other mining and quarrying	355	328	428	448	398
<b>Primary industries</b>	<b>2974</b>	<b>2979</b>	<b>3372</b>	<b>3438</b>	<b>3709</b>
Manufacturing	1816	1911	1968	2009	1842
Meat processing	109	97	88	95	84
Fish processing on shore	183	277	269	256	159
Manufacture of other food products and beverages	875	872	885	929	980
Other manufacturing	648	665	726	728	618
Electricity and water	230	266	279	315	299
Construction	459	564	562	586	777
<b>Secondary industries</b>	<b>2505</b>	<b>2741</b>	<b>2808</b>	<b>2910</b>	<b>2918</b>
Wholesale and retail trade, repairs	1607	1674	1801	1915	2117
Hotels and restaurants	316	332	321	322	332
Transport, and communication	1332	1372	1558	1815	2014
Transport and storage	837	753	816	863	964
Post and telecommunications	494	619	741	952	1050
Financial intermediation	514	564	646	768	788
Real estate and business services	1494	1572	1683	1728	1804
Owner-occupied dwellings	740	759	778	816	861
Other real estate and business services	754	813	906	912	943
Community, social and personal services	137	144	135	140	144
Producers of government services	3408	3475	3650	3811	3769
Other producers	307	310	318	324	330
<b>Tertiary industries</b>	<b>9114</b>	<b>9444</b>	<b>10113</b>	<b>10824</b>	<b>11299</b>
Less: Financial services indirectly measured	155	178	206	233	276
<b>All industries at basic prices</b>	<b>14439</b>	<b>14986</b>	<b>16088</b>	<b>16938</b>	<b>17650</b>
Taxes less subsidies on products	2055	2083	2112	2140	2204
<b>GDP at market prices</b>	<b>16494</b>	<b>17069</b>	<b>18201</b>	<b>19077</b>	<b>19854</b>

Source: Central Bureau of Statistics

**Table I.5 (b) Gross domestic product by activity**  
**Annual percentage changes**

Industry	2002	2003	2004	2005	2006
Agriculture and forestry	8.5	3.6	0.9	10.9	4.0
Commercial	22.7	4.5	-9.9	8.5	-1.0
Subsistence	-18.6	0.9	32.7	15.8	9.8
Fishing	11.4	4.2	-9.1	-3.4	-4.8
Mining and quarrying	16.0	-4.6	36.5	-1.4	15.4
Diamond mining	17.3	-3.5	38.6	-3.4	25.2
Other mining and quarrying	12.9	-7.5	30.6	4.5	-11.2
<b>Primary industries</b>	<b>12.4</b>	<b>0.2</b>	<b>13.2</b>	<b>1.9</b>	<b>7.9</b>
Manufacturing	9.6	5.2	3.0	2.1	-8.3
Meat processing	2.1	-11.6	-8.6	7.7	-11.2
Fish processing	-10.1	51.1	-3.0	-4.7	-38.0
Manufacture of other food products and beverages	8.3	-0.3	1.4	5.0	5.6
Other manufacturing	20.5	2.6	9.2	0.3	-15.2
Electricity and water	1.1	15.6	4.7	12.9	-4.9
Construction	-13.1	22.9	-0.4	4.4	32.5
<b>Secondary industries</b>	<b>3.8</b>	<b>9.4</b>	<b>2.5</b>	<b>3.6</b>	<b>0.3</b>
Wholesale and retail trade, repairs	7.4	4.1	7.6	6.4	10.5
Hotels and restaurants	8.4	4.9	-3.2	0.3	3.0
Transport, and communication	11.4	3.1	13.5	16.5	10.9
Transport and storage	15.5	-10.0	8.4	5.7	11.7
Post and telecommunications	5.0	25.2	19.7	28.4	10.3
Financial intermediation	3.3	9.6	14.6	18.9	2.6
Real estate and business services	7.2	5.2	7.1	2.6	4.4
Owner-occupied dwellings	4.1	2.5	2.5	4.9	5.6
Other real estate and business services	10.5	7.9	11.3	0.7	3.4
Community, social and personal services	2.9	5.6	-6.5	3.7	3.1
Producers of government services	3.9	2.0	5.0	4.4	-1.1
Other producers	2.8	1.2	2.5	1.8	1.9
<b>Tertiary industries</b>	<b>6.2</b>	<b>3.6</b>	<b>7.1</b>	<b>7.0</b>	<b>4.4</b>
Less: Financial services indirectly measured	-1.9	15.1	15.5	13.5	18.1
<b>All industries at basic prices</b>	<b>7.1</b>	<b>3.8</b>	<b>7.4</b>	<b>5.3</b>	<b>4.2</b>
Taxes less subsidies on products	4.1	1.4	1.4	1.3	3.0
<b>GDP at market prices</b>	<b>6.7</b>	<b>3.5</b>	<b>6.6</b>	<b>4.8</b>	<b>4.1</b>

Source: Central Bureau of Statistics



**Table I.6 (a) Expenditure on gross domestic product**  
**Current prices - N\$ million**

Expenditure category	2002	2003	2004	2005	2006
Final consumption expenditure	26981	27766	30059	30617	33758
Private	18289	18797	21031	20882	23204
General government	8692	8969	9027	9734	10554
Gross fixed capital formation	6964	9867	9190	9727	12235
Changes in inventories	-468	220	175	530	321
<b>Gross domestic expenditure</b>	<b>33476</b>	<b>37853</b>	<b>39423</b>	<b>40873</b>	<b>46313</b>
Exports of goods and services	16320	17396	16757	18901	24534
Imports of goods and services	16966	18617	18992	20261	24676
Discrepancy	78	-2790	-693	197	799
<b>Gross domestic product at market prices</b>	<b>32908</b>	<b>33842</b>	<b>36496</b>	<b>39711</b>	<b>46971</b>

Source: Central Bureau of Statistics

**Table I.6 (b) Expenditure on gross domestic product**  
**Percentage shares**

Expenditure category	2002	2003	2004	2005	2006
Final consumption expenditure	82.0	82.0	82.4	77.1	71.9
Private	55.6	55.5	57.6	52.6	49.4
General government	26.4	26.5	24.7	24.5	22.5
Gross fixed capital formation	21.2	29.2	25.2	24.5	26.0
Changes in inventories	-1.4	0.7	0.5	1.3	0.7
<b>Gross domestic expenditure</b>	<b>101.7</b>	<b>111.9</b>	<b>108.0</b>	<b>102.9</b>	<b>98.6</b>
Exports of goods and services	49.6	51.4	45.9	47.6	52.2
Imports of goods and services	51.6	55.0	52.0	51.0	52.2
Discrepancy	0.2	-8.2	-1.9	0.5	-1.7
<b>Gross domestic product at market prices</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Central Bureau of Statistics

**Table I.7 (a) Expenditure on gross domestic product  
Constant 1995 prices - N\$ million**

Expenditure category	2002	2003	2004	2005	2006
Final consumption expenditure	14927	14245	15202	14980	15830
Private	10248	9564	10486	10158	10955
General government	4679	4680	4716	4822	4875
Gross fixed capital formation	4806	5967	5350	5375	6340
Changes in inventories	-171	52	81	279	85
<b>Gross domestic expenditure</b>	<b>19562</b>	<b>20264</b>	<b>20634</b>	<b>20634</b>	<b>22255</b>
Exports of goods and services	7216	8878	8514	8146	9235
Imports of goods and services	9945	10514	10555	10730	12168
Discrepancy	-338	-1559	-392	1027	533
<b>Gross domestic product at market prices</b>	<b>16494</b>	<b>17069</b>	<b>18201</b>	<b>19077</b>	<b>19854</b>

Source: Central Bureau of Statistics

**Table I.7 (b) Expenditure on gross domestic product  
Annual percentage changes**

Expenditure category	2002	2003	2004	2005	2006
Final consumption expenditure	3.5	-4.6	6.7	-1.5	5.7
Private	4.3	-6.7	9.6	-3.1	7.8
General government	1.7	0.0	0.8	2.3	1.1
Gross fixed capital formation	11.9	24.2	-10.3	0.5	18.0
Changes in inventories	-2.5	1.4	0.2	1.1	-1.0
<b>Gross domestic expenditure</b>	<b>3.3</b>	<b>3.6</b>	<b>1.8</b>	<b>0.0</b>	<b>7.9</b>
Exports of goods and services	14.0	23.0	-4.1	-4.3	13.4
Imports of goods and services	3.4	5.7	0.4	1.7	13.4
Discrepancy	-1.0	-7.4	6.8	7.8	-2.6
<b>Gross domestic product at market prices</b>	<b>6.7</b>	<b>3.5</b>	<b>6.6</b>	<b>4.8</b>	<b>4.1</b>

Source: Central Bureau of Statistics

**Table I.8 Gross fixed capital formation by activity**  
**Current prices - N\$ million**

Industry	2002	2003	2004	2005	2006
Agriculture	326	392	414	434	462
Fishing	249	262	275	281	286
Mining and quarrying	874	3084	1919	1794	3257
Manufacturing	1751	1629	1690	1688	2097
Electricity and water	285	796	709	280	364
Construction	205	258	280	286	294
Wholesale and retail trade; hotels, restaurants	281	250	326	367	412
Transport, and communication	1120	1029	1127	1384	1527
Finance, real estate, business services	801	1077	1252	1683	1834
Community, social and personal services	28	32	32	34	33
Producers of government services	1042	1058	1165	1497	1673
<b>Total</b>	<b>6964</b>	<b>9867</b>	<b>9190</b>	<b>9727</b>	<b>12235</b>
Percent of GDP	21.2	29.2	25.2	24.5	26.0

Source: Central Bureau of Statistics

**Table I.9 Gross fixed capital formation by activity**  
**Constant 1995 prices - N\$ million**

Industry	2002	2003	2004	2005	2006
Agriculture	230	243	259	269	281
Fishing	187	164	174	176	176
Mining and quarrying	638	1971	1189	1051	1678
Manufacturing	1212	979	998	958	1114
Electricity and water	186	465	395	145	180
Construction	149	162	177	179	180
Wholesale and retail trade; hotels, restaurants	194	152	196	214	231
Transport, and communication	803	599	643	771	818
Finance, real estate, business services	526	624	696	873	892
Community, social and personal services	21	20	21	22	21
Producers of government services	660	588	602	717	770
<b>Total</b>	<b>4806</b>	<b>5967</b>	<b>5350</b>	<b>5375</b>	<b>6340</b>

Source: Central Bureau of Statistics

**Table I.10 Gross fixed capital formation by type of asset**  
**Current 1995 prices - N\$ million**

Type of asset	2002	2003	2004	2005	2006
Buildings	2019	1908	2332	2688	3109
Construction works	1170	1994	1947	2172	3571
Transport equipment	1789	2037	1943	1889	2087
Machinery and other equipment	1840	3665	2497	2500	2985
Mineral exploration	146	264	472	477	482
<b>Total</b>	<b>6964</b>	<b>9867</b>	<b>9190</b>	<b>9727</b>	<b>12235</b>

Source: Central Bureau of Statistics

**Table I.11 Gross fixed capital formation by type of asset**  
**Constant 1995 prices - N\$ million**

Type of asset	2002	2003	2004	2005	2006
Buildings	1321	1079	1261	1353	1467
Construction works	705	1070	949	967	1540
Transport equipment	1274	1185	1129	1087	1167
Machinery and other equipment	1409	2460	1702	1696	1905
Mineral exploration	97	174	309	273	261
<b>Total</b>	<b>4806</b>	<b>5967</b>	<b>5350</b>	<b>5375</b>	<b>6340</b>

**Table I.12 Gross fixed capital formation by ownership**  
Current prices - N\$ million

Ownership	2002	2003	2004	2005	2006
Public	2052	2383	2498	2640	2923
Producers of government services	1042	1058	1165	1497	1673
Public corporations and enterprises	1010	1325	1333	1143	1250
Private	4912	7484	6692	7087	9312
<b>Total</b>	<b>6964</b>	<b>9867</b>	<b>9190</b>	<b>9727</b>	<b>12235</b>

Source: Central Bureau of Statistics

**Table I.13 Gross fixed capital formation by ownership**  
Constant 1995 prices - N\$ million

Ownership	2002	2003	2004	2005	2006
Public	1378	1361	1356	1347	1428
Producers of government services	660	588	602	717	770
Public corporations and enterprises	718	773	754	630	658
Private	3428	4606	3994	4028	4912
<b>Total</b>	<b>4806</b>	<b>5967</b>	<b>5350</b>	<b>5375</b>	<b>6340</b>

Source: Central Bureau of Statistics

**Table I.14 Fixed capital stock by activity**  
Current prices - N\$ million

Industry	2002	2003	2004	2005	2006
Agriculture	5077	5811	5977	6190	5055
Fishing	1306	1736	1894	2068	2274
Mining and quarrying	6460	10023	11108	12413	14951
Manufacturing	4507	6275	7480	8785	7807
Electricity and water	5615	6808	7664	8292	8513
Construction	757	889	905	912	907
Wholesale and retail trade; hotels, restaurants	2429	2755	2849	3036	3229
Transport, and communication	7536	8864	9427	10332	10952
Finance, real estate, business services	10980	13371	14747	16951	19261
Community, social and personal services	424	485	498	520	532
Producers of government services	31130	35176	37979	41459	43294
<b>Total</b>	<b>76221</b>	<b>92193</b>	<b>100529</b>	<b>110957</b>	<b>116774</b>

Source: Central Bureau of Statistics

**Table I.15 Fixed capital stock by activity**  
**Constant 1995 prices - N\$ million**

Industry	2002	2003	2004	2005	2006
Agriculture	3181	3198	3207	3205	3190
Fishing	979	1086	1195	1301	1399
Mining and quarrying	4532	5937	6523	6964	7990
Manufacturing	3046	3679	4256	4720	5254
Electricity and water	3487	3763	3949	3877	3830
Construction	545	555	563	557	535
Wholesale and retail trade; hotels, restaurants	1617	1588	1588	1590	1591
Transport, and communication	4854	4942	5011	5133	5226
Finance, real estate, business services	7193	7579	8014	8600	9179
Community, social and personal services	287	288	288	287	283
Producers of government services	19349	19258	19157	19141	19147
<b>Total</b>	<b>49072</b>	<b>51873</b>	<b>53753</b>	<b>55374</b>	<b>57624</b>

Source: Central Bureau of Statistics

Table 1.16 (a) NATIONAL CONSUMER PRICE INDEX (December 2001 = 100)

	Food & non alcoholic beverages	Alcoholic Beverages & tobacco	Clothing and footwear	Housing, water, electricity, gas & others	Furniture, household equipment & maintenance	Health	Transport	Communi-cations	Recreation & culture	Education	Hotels, cafes & restaurants	Miscellaneous goods & services	All items	All items Annual percentage changes
2002	111.1	105.6	104.5	106.9	104.0	102.6	109.4	102.0	106.4	108.3	106.0	102.1	107.7	12.9
2003	121.6	110.9	108.8	114.6	110.6	108.7	117.7	104.4	109.0	118.6	114.1	104.7	115.4	7.3
2004	122.6	121.2	109.3	122.4	111.3	111.8	123.9	107.4	110.3	135.5	120.9	109.5	120.2	4.2
2005	122.9	124.1	109.8	123.8	112.5	113.4	128.7	108.6	110.7	138.8	124.9	109.4	121.7	2.5
Jan	123.0	124.2	109.7	122.6	112.5	113.6	129.7	108.5	111.7	140.8	126.0	109.5	121.9	2.6
Feb	122.8	127.3	109.4	122.6	112.4	113.1	128.2	108.5	110.1	140.8	125.6	107.5	121.3	1.7
Mar	123.7	129.5	109.4	122.3	112.5	113.3	129.1	108.5	110.9	140.8	126.3	108.2	121.8	1.6
Apr	121.8	130.6	108.8	122.3	112.8	113.7	130.0	108.0	111.9	140.8	126.3	108.0	121.4	0.9
May	122.2	131.2	108.6	122.4	113.5	113.6	130.5	108.5	111.3	140.8	126.7	107.8	121.6	1.3
Jun	123.1	131.9	108.6	125.3	113.8	113.6	130.5	108.5	111.2	140.8	127.5	108.1	122.6	1.7
Jul	124.3	132.1	108.6	126.0	114.6	113.3	133.8	108.5	110.7	140.8	127.8	107.6	123.5	2.2
Aug	125.7	132.3	106.6	126.1	115.0	113.8	136.6	108.5	110.9	140.8	127.7	107.5	124.2	2.9
Sep	127.2	132.4	107.0	126.1	115.7	109.5	136.7	108.8	111.0	140.8	128.5	107.3	124.5	2.9
Oct	127.9	132.5	106.2	126.1	116.2	109.9	136.7	108.8	111.2	140.8	129.1	107.5	124.8	3.4
Nov	128.2	133.3	105.3	126.3	115.7	109.9	136.6	108.8	112.2	140.8	129.1	107.5	125.0	3.4
Dec	124.4	130.1	108.2	124.3	113.9	112.6	132.3	108.5	111.1	140.6	127.1	108.0	122.9	2.3
Average 2006	128.7	133.8	104.7	126.4	115.4	110.0	137.6	108.8	112.2	149.9	130.5	109.7	126.1	3.6
Jan	128.3	134.3	104.2	126.5	115.6	109.6	137.9	109.0	111.8	149.9	131.4	114.2	126.4	3.7
Feb	129.5	137.5	103.5	126.5	115.7	109.7	138.0	109.0	112.8	149.9	131.7	114.3	126.9	4.6
Mar	129.7	138.8	103.9	126.5	115.9	110.2	138.8	109.0	112.9	149.9	132.1	114.6	127.2	4.4
Apr	130.6	139.2	104.5	126.6	115.8	110.1	138.9	109.0	113.1	149.9	132.9	114.6	127.5	5.1
May	131.3	139.6	104.1	126.7	116.1	110.0	141.0	109.1	113.4	149.9	133.9	113.6	128.0	5.3
Jun	131.2	140.4	103.6	129.3	116.1	110.0	142.5	109.1	114.3	149.9	134.6	115.4	128.9	5.1
Jul	132.4	141.7	105.9	129.9	116.5	110.1	147.5	109.1	114.5	149.9	134.9	115.7	130.2	5.4
Aug	134.2	142.6	106.7	130.2	118.5	110.1	147.8	109.1	114.9	149.9	135.9	116.1	131.0	5.5
Sep	136.1	142.7	106.2	130.2	118.6	110.5	149.2	109.3	115.4	149.9	136.7	116.2	131.7	5.8
Oct	138.6	143.0	106.2	130.3	118.7	110.6	149.2	109.8	115.6	149.9	136.7	116.8	132.4	6.1
Nov	139.5	143.2	106.6	130.5	119.2	110.9	147.2	109.8	115.8	149.9	137.3	116.9	132.5	6.1
Dec	132.5	139.7	105.0	128.3	116.9	110.1	143.0	109.2	113.9	149.9	134.0	114.8	129.1	5.1
Average 2007	140.6	143.1	107.0	130.9	119.2	114.2	146.4	109.9	117.6	158.9	138.9	117.1	133.7	6.0
Jan	140.8	143.2	106.8	131.0	120.2	115.1	147.5	109.9	117.4	158.9	139.5	116.9	134.0	6.0
Feb	142.7	148.0	108.4	131.0	120.5	115.3	147.1	109.9	118.5	158.9	140.5	116.7	134.9	6.3
Mar	145.0	149.0	107.7	131.0	120.9	115.4	148.9	109.9	118.8	158.9	141.6	116.9	135.9	6.9
Apr	146.5	150.0	107.6	131.1	121.0	115.0	150.0	109.9	118.9	158.9	141.3	117.0	136.6	7.1
May	147.1	150.6	107.4	131.0	121.7	115.1	151.0	109.9	119.3	158.9	142.3	117.1	137.0	7.0
Jun	148.8	151.6	107.6	133.7	121.8	115.4	152.7	109.9	119.3	158.9	142.7	117.3	138.2	7.2
Jul	150.6	152.5	108.6	134.5	121.9	115.4	152.9	109.9	119.5	158.9	143.2	117.6	139.1	6.8
Aug	152.2	152.2	109.5	134.6	122.3	115.4	154.9	109.9	118.7	158.9	146.3	117.2	139.8	6.7
Sep	154.5	152.8	109.1	134.8	122.2	115.6	155.2	113.4	118.7	158.9	146.0	117.4	140.4	6.6
Oct														

\* Calculated as a percentage change of the all items index for a given month in relation to that of the same month of the preceding year.

Source: Central Bureau of Statistics

**Table 1.16 (b) National Consumer Price Index  
Goods and Services (December 2001 = 100)**

	Services			Goods		
	Index	Monthly Infl. Rate	Annual infl. rate	Index	Monthly infl. rate	Annual infl. rate
<b>2002</b>	<b>105.2</b>	<b>0.8</b>		<b>109.2</b>	<b>1.2</b>	
<b>2003</b>	<b>112.9</b>	<b>0.4</b>	<b>7.3</b>	<b>116.9</b>	<b>0.1</b>	<b>7.2</b>
<b>2004</b>	<b>119.8</b>	<b>0.5</b>	<b>6.1</b>	<b>120.6</b>	<b>0.3</b>	<b>3.1</b>
<b>2005</b>						
Jan	122.3	1.2	3.3	121.3	0.3	1.9
Feb	125.0	2.2	5.4	119.9	-1.1	0.7
Mar	121.7	-2.6	2.6	121.1	1.0	0.9
Apr	122.4	0.6	2.9	121.5	0.3	0.6
May	122.4	0.1	2.7	120.7	-0.6	-0.4
Jun	123.1	0.5	3.0	120.7	0.0	0.0
Jul	123.9	0.7	2.9	121.8	0.9	0.8
Aug	124.2	0.2	3.0	123.0	1.0	1.5
Sep	125.2	0.9	3.8	123.5	0.4	2.2
Oct	125.0	-0.2	3.5	124.2	0.6	2.3
Nov	124.9	-0.1	3.4	124.8	0.4	3.2
Dec	125.0	0.1	3.4	124.9	0.1	3.3
<b>Average</b>	<b>123.7</b>	<b>0.3</b>	<b>3.3</b>	<b>122.3</b>	<b>0.3</b>	<b>1.4</b>
<b>2006</b>						
Jan	126.6	1.3	3.5	125.8	0.7	3.7
Feb	127.5	0.7	2.0	125.7	-0.1	4.8
Mar	127.6	0.1	4.9	126.5	0.7	4.4
Apr	127.7	0.1	4.4	126.9	0.3	4.5
May	128.0	0.2	4.5	127.2	0.3	5.4
Jun	128.9	0.7	4.8	127.5	0.2	5.6
Jul	130.1	0.9	5.0	128.1	0.5	5.2
Aug	131.6	1.2	6.0	129.2	0.9	5
Sep	131.7	0.1	5.2	130.5	1.0	5.7
Oct	132.0	0.2	5.6	131.4	0.7	5.8
Nov	132.1	0.1	5.8	132.6	0.9	6.3
Dec	132.2	0.0	5.8	132.8	0.2	6.3
<b>Average</b>	<b>129.7</b>	<b>0.5</b>	<b>4.8</b>	<b>128.7</b>	<b>0.5</b>	<b>5.2</b>
<b>2007</b>						
Jan	134.0	1.4	5.8	133.5	0.5	6.1
Feb	134.2	0.2	5.2	133.9	0.3	6.6
Mar	134.6	0.3	5.5	135.0	0.8	6.7
Apr	134.5	-0.1	5.3	136.8	1.3	7.8
May	134.5	0.0	5.1	138.0	0.9	8.5
Jun	134.6	0.1	4.4	138.5	0.4	8.6
Jul	136.0	1.0	4.5	139.6	0.8	9
Aug	136.4	0.3	3.7	141.8	1.6	9.8
Sep	136.5	0.1	3.6	141.8	0.0	8.7
Oct	136.7	0.2	3.6	142.7	0.6	8.6

\* Calculated as a percentage change of the all items index for a given month in relation to that of the same month of the preceding year.

Source: Central Bureau of Statistics



ECONOMIC DEVELOPMENTS

TABLE II.1(a) Central bank survey  
(end of period in N\$ million)

Assets	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07
<b>Net foreign assets</b>	2705.5	2696.0	3129.7	3129.7	2973.0	2677.9	3313.1	2760.7	3119.2	4104.4	3495.2	3164.3	4865.6	4466.4	5690.0	6260.1	5643.8	6085.3	7455.9	6359.0	5868.7
<b>Claims on nonresidents</b>	2718.3	2708.4	3142.0	3142.0	2986.6	2688.3	3323.1	3130.7	3517.0	4495.2	3877.7	3573.6	5288.6	4875.6	6094.7	6658.5	6054.6	6485.4	7887.6	6422.5	5947.2
Monetary gold and SDR holdings	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Foreign currency	94.4	75.2	130.2	130.2	113.1	96.7	107.0	117.1	111.2	116.8	132.8	133.1	150.8	226.6	73.1	154.7	100.5	194.7	161.9	183.8	206.1
Deposits	2565.7	2616.3	2299.2	2981.2	2835.6	2546.0	3162.6	2948.3	3337.7	4299.9	3661.7	3348.9	5125.9	4626.0	5985.6	6455.1	5896.6	6221.3	7643.8	6146.9	5638.0
Securities other than shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	58.0	16.7	23.9	30.4	37.8	45.4	53.2	65.1	67.9	78.2	83.0	91.4	11.6	22.8	35.8	48.6	57.2	69.2	81.7	91.6	103.0
<b>less: Liabilities to nonresidents</b>	-12.8	-12.4	-12.2	-12.3	-13.5	-10.4	-9.9	-369.9	-397.8	-390.8	-382.5	-409.3	-423.0	-409.2	-404.7	-398.4	-410.8	-400.2	-431.7	-63.5	-78.6
Deposits	-12.7	-12.3	-12.2	-12.3	-13.5	-9.6	-9.5	-14.1	-11.0	-7.8	-19.2	-17.7	-18.2	-15.6	-7.3	-7.3	-15.7	-6.8	-36.3	-29.5	-29.3
Securities other than shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-0.1	-0.1	-0.1	0.0	0.0	-0.7	-0.5	-355.8	-386.7	-383.0	-363.3	-391.5	-404.8	-393.6	-397.4	-391.2	-395.1	-393.3	-395.4	-33.9	-49.2
<b>Claims on other depository corp</b>	278.6	125.5	181.6	672.8	622.5	833.1	1093.0	1027.2	1099.2	1031.8	980.8	1333.0	1835.2	1947.4	1938.8	2004.6	1994.3	2024.6	558.0	468.9	329.1
<b>Net claims on Central Government</b>	-1208.3	-969.0	-843.1	-1912.1	-1523.3	-1348.2	-2227.7	-1531.0	-1766.1	-2729.6	-2106.6	-2093.3	-4396.2	-4125.4	-5155.0	-5885.5	-5141.7	-5691.1	-5426.8	-4243.0	-3608.6
Claims on Central Government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>less: Liabilities to Central Government</b>	-1208.3	-969.0	-843.1	-1912.1	-1523.3	-1348.2	-2227.7	-1531.0	-1766.1	-2729.6	-2106.6	-2093.3	-4396.2	-4125.4	-5155.0	-5885.5	-5141.7	-5691.1	-5426.8	-4243.0	-3608.6
<b>Government</b>	-1208.3	-969.0	-843.1	-1912.1	-1523.3	-1348.2	-2227.7	-1531.0	-1766.1	-2729.6	-2106.6	-2093.3	-4396.2	-4125.4	-5155.0	-5885.5	-5141.7	-5691.1	-5426.8	-4243.0	-3608.6
Deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	14.0	13.7	13.6	13.1	13.6	13.7	13.6	14.0	14.5	15.1	15.7	15.8	15.6	15.4	16.5	16.0	16.0	15.8	16.1	16.6	16.2
<b>Claims on other sectors</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State and local government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public nonfinancial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other nonfinancial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other resident sectors	14.0	13.7	13.6	13.1	13.6	13.7	13.6	14.0	14.5	15.1	15.7	15.8	15.6	15.4	16.5	16.0	16.0	15.8	16.1	16.6	16.2

ECONOMIC DEVELOPMENTS

TABLE II.1(b) Central bank survey  
(end of period in N\$ million)

Liabilities	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07
Monetary base	1262.9	1284.9	1270.0	1320.0	1329.0	1330.2	1378.9	1398.9	1459.0	1445.3	1492.1	1532.4	1431.3	1374.1	1452.6	1421.5	1566.5	1511.0	1577.7	1570.5	1566.5
Currency in circulation	963.3	927.4	922.8	951.1	982.2	976.4	1009.4	1067.1	1041.3	1072.1	1121.0	1151.4	1052.9	1002.4	1046.5	1082.2	1085.3	1080.8	1139.9	1176.7	1136.5
Liabilities to other depository corps	299.6	321.3	347.2	368.9	346.8	353.7	369.4	331.8	417.6	373.2	371.2	381.0	378.5	371.7	406.1	339.3	481.2	430.2	437.8	393.7	429.9
Reserve deposits	299.6	321.3	347.2	368.9	346.8	353.7	369.4	331.8	417.6	373.2	371.2	381.0	378.5	371.7	406.1	339.3	481.2	430.2	437.8	393.7	429.9
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits included in broad money	0.0	36.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transferable deposits	0.0	36.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities other than shares, included in broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits excluded from broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Of which: Other financial corps	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities other than shares, excluded from broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Of which: Other financial corps	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Of which: Other financial corps	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Of which: Other financial corps	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credit and advances	4.0	4.3	2.1	3.2	3.3	2.8	1.9	4.2	4.0	4.4	3.9	4.9	10.3	4.4	2.3	11.7	9.1	14.7	19.0	4.3	4.7
Of which: Other financial corps	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shares and other equity	661.2	666.1	676.0	719.9	889.8	979.2	947.5	1013.4	1153.5	1121.6	1039.9	997.9	1037.0	1083.1	1191.8	1124.3	1097.0	1075.1	1178.0	1203.0	1190.9
Funds contributed by owners	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Retained earnings	53.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	118.5	118.5	118.5	0.0	0.0	0.0	0.0	0.0	0.0
General and special reserves	228.0	281.6	261.6	261.6	246.6	246.6	246.6	246.6	246.6	246.6	246.6	246.6	246.6	246.6	246.6	312.8	302.8	302.8	302.8	302.8	302.8
SDR allocations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation adjustment	327.5	324.4	345.7	379.1	553.4	633.7	589.0	643.8	772.7	727.6	634.4	586.6	612.9	636.1	728.7	686.5	659.3	626.4	702.3	701.8	677.0
Current year result	12.1	20.0	28.7	39.2	49.8	59.0	72.0	83.0	94.2	107.4	119.0	124.7	19.1	42.0	58.1	84.9	94.9	105.8	132.8	158.3	171.0
Other items (net)	-138.3	-89.0	-138.3	-139.6	-136.2	-135.8	-136.2	-145.5	-149.6	-149.7	-150.8	-115.4	-158.6	-157.9	-156.5	-162.2	-160.2	-166.1	-171.4	-176.3	-156.8
Other liabilities	18.8	18.5	18.4	18.5	18.4	18.5	18.3	18.4	18.3	18.3	18.4	24.3	20.8	20.0	19.3	19.3	19.0	19.1	19.0	19.0	19.0
less: Other assets	-157.2	-107.5	-156.8	-158.1	-154.7	-154.2	-154.5	-163.9	-167.9	-168.0	-169.2	-139.7	-179.4	-177.9	-175.7	-181.5	-179.2	-185.2	-190.4	-195.3	-175.7

ECONOMIC DEVELOPMENTS

TABLE II.2 (a) Other depository corporations survey  
(end of period in N\$ million)

Assets	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07
<b>Net foreign assets</b>	-1814.1	-2277.6	-1734.5	-1295.0	-1272.4	-1218.9	-1017.2	-767.8	825.0	1341.4	1130.5	1680.2	1282.6	1591.7	1198.5	2155.1	2368.3	864.5	1836.9	1977.4	1956.8
<b>Claims on nonresidents</b>	297.7	261.5	914.6	1390.8	890.7	1029.3	1188.2	1061.1	1795.4	2427.2	2173.9	2742.2	2322.5	2549.6	2198.9	3096.4	3225.8	1877.2	2674.7	2887.9	2855.7
Foreign currency	51.6	40.4	65.4	46.6	64.5	59.0	64.2	48.9	52.0	56.8	56.9	52.4	55.4	80.6	53.7	68.2	57.4	65.0	114.4	108.0	84.8
Deposits	187.0	167.3	798.0	1299.7	782.2	924.7	1077.3	970.0	1700.0	2330.5	2075.8	2643.6	2220.4	2423.3	2004.4	2985.3	3124.2	1767.9	2511.0	2732.6	2722.2
Securities other than shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	59.1	53.8	51.2	44.5	44.0	45.6	46.7	42.2	43.4	39.9	41.2	46.2	46.7	45.7	46.2	43.0	44.2	44.3	49.4	47.3	48.7
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	94.7	0.0	0.0	0.0	0.0	0.0	0.0
<b>less: Liabilities to nonresidents</b>	-2111.8	-2539.1	-2649.1	-2685.9	-2163.1	-2248.3	-2205.4	-1828.9	-970.4	-1085.8	-1043.4	-1062.0	-1059.9	-957.8	-1000.5	-941.3	-857.5	-1012.8	-837.8	-910.5	-898.9
Deposits	-1212.4	-1168.8	-1594.7	-1986.5	-1631.5	-1846.9	-1360.6	-1129.5	-588.0	-703.1	-515.0	-384.5	-256.0	-277.5	-332.8	-270.8	-184.9	-360.4	-181.8	-251.6	-228.5
Securities other than shares	0.0	0.0	0.0	-100.7	-101.4	-102.1	-100.7	-227.5	-164.6	-165.0	-165.4	-456.2	-459.0	-461.3	-455.0	-457.9	-459.9	-454.2	-457.8	-460.6	-455.0
Loans	-899.4	-1370.3	-1054.3	-598.7	-430.3	-299.2	-744.1	-471.9	-217.9	-217.7	-363.0	-221.4	-344.9	-219.0	-212.7	-212.7	-212.7	-198.2	-198.2	-198.2	-215.4
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Claims on central bank</b>	596.2	584.2	588.0	480.5	644.2	587.1	632.8	816.9	671.9	666.2	649.0	747.0	717.9	627.0	654.9	646.5	782.1	696.2	736.4	669.9	651.9
Currency	316.4	264.4	241.8	236.4	303.4	249.7	282.0	299.7	255.7	300.2	281.3	388.1	313.7	271.1	249.0	337.7	307.9	266.3	345.1	293.7	274.7
Reserve deposits	258.2	306.3	311.1	244.1	340.8	337.4	298.2	512.6	416.2	366.0	367.7	358.9	392.0	355.9	364.8	308.9	443.0	429.9	391.3	368.4	369.4
Other claims	21.5	13.4	35.0	0.0	0.0	0.0	52.5	4.5	0.0	0.0	0.0	0.0	0.0	0.0	41.1	0.0	31.1	0.0	0.0	7.8	7.8
<b>Net claims on Central Government</b>	2029.2	1746.9	1931.3	1742.8	1817.0	1958.6	1858.3	1631.0	1949.7	2051.0	2115.0	2206.6	2196.6	2293.8	2474.6	2470.3	2359.9	2798.7	2836.5	2550.0	2512.9
<b>Claims on Central Government</b>	2419.1	2155.8	2528.4	2426.7	2543.8	2661.9	2555.8	2563.6	2464.0	2575.7	2571.8	2767.3	2785.2	2914.4	3098.8	3099.4	3012.1	3270.2	3315.5	3026.9	3037.3
Securities other than shares	2415.7	2153.1	2527.5	2425.6	2542.0	2660.3	2553.6	2581.1	2462.4	2577.5	2558.6	2750.0	2781.3	2905.3	3086.4	3094.7	2993.0	3262.3	3296.1	3019.7	3025.2
Other claims	3.4	2.8	0.9	1.2	1.7	1.6	2.2	2.5	1.6	1.1	13.2	17.3	4.0	9.1	12.4	4.8	19.1	7.9	19.4	7.2	12.1
<b>less: Liabilities to Central</b>	-389.9	-408.9	-597.1	-683.9	-726.8	-703.3	-697.4	-932.6	-514.3	-527.6	-456.8	-560.7	-588.6	-620.6	-624.2	-629.1	-652.2	-471.6	-479.0	-476.9	-524.4
<b>Government</b>																					
Deposits	-350.2	-369.1	-543.5	-630.2	-673.1	-649.5	-643.7	-878.9	-463.2	-463.5	-392.6	-496.3	-524.1	-556.0	-556.9	-577.9	-601.0	-418.9	-426.3	-424.2	-471.7
Other liabilities	-39.8	-39.8	-53.7	-53.7	-53.7	-53.7	-53.8	-53.8	-51.1	-64.1	-64.2	-64.4	-64.5	-64.5	-67.3	-51.2	-51.2	-52.7	-52.7	-52.7	-52.7
<b>Claims on other sectors</b>	24322.0	25031.7	25441.7	25972.5	26638.4	27037.8	27541.4	27767.7	27742.0	28175.7	28313.0	28268.4	28873.8	29431.8	29974.2	30024.4	30362.0	30670.0	30746.5	30982.0	31379.1
Other financial corporations	26.7	31.2	285.2	327.5	562.7	831.0	625.3	780.4	731.9	759.8	852.8	619.4	525.1	660.8	1017.3	942.4	1196.3	1067.7	983.6	1027.7	1193.1
State and local government	28.3	32.1	28.7	29.5	31.9	25.0	20.8	23.5	31.3	37.6	40.0	48.2	43.7	59.7	24.0	29.2	41.6	27.0	40.4	40.1	47.7
Public nonfinancial corporations	288.0	285.4	393.2	394.4	415.6	404.9	403.0	395.2	204.0	198.4	168.1	180.0	226.9	264.4	332.9	294.2	322.9	415.2	380.1	115.3	132.1
Other nonfinancial corporations	8479.0	8964.2	8636.3	8889.5	9099.5	9033.6	9385.1	9356.7	9264.8	9499.8	9340.2	9373.7	9923.8	10005.8	9915.1	9953.5	9666.3	9878.0	9915.0	10188.6	10231.9
Other resident sectors	15499.9	15718.7	16098.3	16331.7	16528.8	16743.3	17107.2	17211.9	17509.9	17680.1	17911.9	18047.1	18154.4	18441.1	18688.9	18805.1	19134.9	19282.0	19427.4	19610.3	19774.3
Unclassified shares and other equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

ECONOMIC DEVELOPMENTS

TABLE II.2 (b) Other depository corporations survey  
(end of period in N\$ million)

Liabilities	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07
<b>Liabilities to central bank</b>	323.2	169.4	157.6	393.8	290.1	430.6	795.8	1085.0	1230.0	1145.4	1193.0	1548.2	1848.0	1752.9	1939.6	2008.1	2000.8	1960.1	813.1	881.5	627.2
<b>Deposits included in broad money</b>	17149.5	17523.0	18060.7	18298.4	19028.7	19796.2	20221.4	19843.5	20719.0	21460.4	21771.9	21748.8	22525.1	22304.1	21786.1	22318.9	22724.6	21676.6	24049.7	24048.3	24833.4
<b>Transferable deposits</b>	9213.5	9657.4	10761.9	10618.4	11228.6	11350.2	11727.2	11531.3	12063.8	13562.3	13412.6	12915.6	13817.6	13903.6	14029.4	14125.9	14162.6	12546.9	14865.8	15021.6	14373.4
Other financial corporations	1647.5	1702.5	2294.6	1717.6	1817.0	2229.7	1712.7	1567.8	1461.0	1832.8	1934.3	1672.4	2039.7	2216.4	1888.5	1977.2	2035.4	2186.8	2688.9	2498.1	2506.7
State and local government	189.8	162.0	168.8	192.2	178.2	193.7	200.4	223.2	215.3	225.0	191.2	189.1	159.2	166.9	158.9	175.7	168.1	277.2	303.7	334.7	183.2
Public nonfinancial corporations	409.0	456.4	649.0	677.7	696.6	733.0	593.7	561.0	781.9	964.3	1007.6	913.5	980.2	892.3	1234.7	953.1	620.5	487.0	403.9	463.0	539.6
Other nonfinancial corporations	4984.0	5214.8	5422.5	5708.9	6313.6	6034.2	6774.2	6703.1	6696.2	7635.4	7303.9	7027.7	7303.0	7978.1	8070.8	8266.9	8679.5	6943.7	8530.8	8710.8	8161.5
Other resident sectors	1983.1	2121.7	2217.0	2322.0	2223.2	2159.7	2446.3	2476.2	2909.3	2904.7	2975.7	3113.0	3335.5	2650.0	2676.5	2753.0	2659.0	2652.1	2938.5	3015.0	2982.5
Unclassified	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Other deposits</b>	7936.0	7865.6	7308.9	7679.9	7800.1	8446.0	8494.2	8312.2	8655.2	7898.1	8359.3	8833.3	8707.6	8400.5	7756.7	8193.0	8562.0	9129.7	9183.9	9026.7	10459.9
Other financial corporations	218.8	135.4	317.1	409.4	394.4	391.9	472.5	724.1	334.2	344.8	297.9	367.1	423.5	433.8	586.8	736.8	848.0	708.5	634.0	516.1	607.0
State and local government	112.2	116.3	168.1	175.4	183.6	177.7	147.7	160.3	141.6	160.8	166.0	198.8	216.8	227.6	286.8	274.0	254.7	201.6	286.9	274.7	269.9
Public nonfinancial corporations	566.5	676.5	833.6	773.8	768.2	687.7	867.4	880.9	998.4	274.1	248.6	564.3	386.5	382.1	369.8	517.3	685.1	735.2	786.9	808.7	1159.4
Other nonfinancial corporations	3361.4	3198.9	2933.7	3133.2	3229.8	3700.8	3675.2	3161.3	4314.4	3765.0	4088.7	4119.4	3624.1	4155.7	3524.0	3596.6	3528.9	4213.1	4250.7	4152.7	4545.9
Other resident sectors	3677.1	3738.5	3056.4	3188.2	3212.2	3475.7	3319.2	3373.3	3443.2	3334.4	3543.6	3571.9	4039.2	3171.9	2960.0	3044.0	3220.0	3247.0	3201.1	3249.9	3853.1
Unclassified	0.0	0.0	0.0	0.0	11.8	12.3	12.3	12.3	23.6	19.0	14.6	11.7	17.5	29.3	29.3	24.3	25.5	24.3	24.3	24.6	24.6
<b>Securities other than shares, included in broad money</b>	0.0	0.0	11.5	11.5	9.5	9.5	8.0	5.8	5.8	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9
<b>Deposits excluded from broad money</b>	-234.6	-87.6	414.6	182.9	206.2	267.5	441.6	382.2	767.8	1069.0	854.1	1090.9	806.7	806.3	855.8	1499.2	1335.2	1293.0	1194.9	1053.2	964.2
<b>Securities other than shares, excluded from broad money</b>	389.3	377.3	3913.8	4246.7	4181.9	3967.9	3864.9	3905.5	4018.8	4080.4	4108.6	4076.9	3323.1	4543.3	4957.7	5061.9	4938.1	5135.5	5314.3	5441.4	5265.3
<i>Of which: Other financial corps</i>	20.1	20.1	3399.7	4115.7	4050.8	3726.0	3334.7	3362.9	3463.9	3112.2	3152.0	3103.3	2374.4	3586.4	3737.2	3841.0	3825.2	4017.1	4218.9	4337.4	4129.1
<b>Loans</b>	2866.2	2896.4	5.2	5.6	5.2	5.6	5.6	5.7	5.6	2.2	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.0	4.9	4.9	4.9
<b>Financial derivatives</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Trade credit and advances</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	84.1	0.0	0.0	163.0	41.6	85.7	23.4	30.6	130.9	26.4	66.7	93.2
<b>Shares and other equity</b>	4203.0	4277.0	4164.7	4254.7	4320.3	4300.7	4313.6	4289.9	4265.0	4344.1	4368.6	4355.3	4461.0	4509.4	4279.1	4250.7	4422.4	4634.5	4691.4	4630.2	4623.3
Funds contributed by owners	278.5	278.5	278.5	278.5	278.5	278.5	278.5	278.5	278.5	278.5	279.4	279.4	279.4	279.4	279.4	279.4	279.4	279.4	429.4	429.4	429.4
Retained earnings	143.5	162.8	1227.0	1232.7	1248.7	1221.0	1117.7	1162.3	1154.9	1145.7	1181.7	1176.3	1218.3	1261.9	1258.4	1288.4	1288.8	1319.8	1318.7	1317.7	1319.1
General and special reserves	3696.5	3741.3	2512.6	2538.2	2564.4	2614.1	2711.1	2717.5	2693.4	2721.4	2655.3	2687.3	2723.0	2750.5	2472.8	2498.7	2516.3	2541.7	2669.2	2700.4	2730.5
Valuation adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Year Result	84.6	94.3	146.7	205.3	228.7	187.1	206.4	131.6	138.2	198.5	252.3	212.4	240.2	217.6	268.6	184.1	338.0	343.6	274.1	182.8	144.3
<b>Other items (net)</b>	427.2	129.7	-501.7	-492.7	-214.6	-413.4	-635.6	-69.8	176.6	43.0	-100.0	70.8	-87.3	-24.3	386.9	123.0	309.4	187.7	55.8	47.2	83.4
Other liabilities	1369.7	1365.4	1347.1	1322.0	1391.1	1516.3	1498.1	1683.0	1827.6	1696.9	2125.2	1966.7	1826.8	2227.3	1948.4	2032.3	2223.1	1920.7	1943.4	1898.6	2145.8
less: Other assets	-1803.2	-2114.0	-1839.9	-1815.9	-1592.9	-1892.2	-2132.8	-1754.5	-1651.0	-1569.8	-2143.1	-1806.8	-1821.1	-2170.4	-1480.7	-1820.9	-1825.4	-1633.0	-1804.4	-1850.8	-2062.4
plus: Consolidation adjustment	860.7	878.3	-8.9	1.3	-12.7	-31.5	-0.9	1.8	0.0	0.0	2.0	-4.9	-0.9	2.8	3.3	-4.3	-4.2	-16.0	0.9	-0.6	0.0

TABLE II.3 Depository corporations survey  
(end of period N\$ million)

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07
<b>Net foreign assets</b>	891.4	418.4	723.3	1834.6	1700.7	1459.0	2295.9	1993.0	3944.3	5445.8	4625.8	4844.5	6128.2	6058.1	6888.5	8415.2	8023.0	6949.8	9292.8	8336.5	7825.5
Claims on nonresidents	3016.0	2969.9	3394.6	4532.8	3877.3	3717.6	4511.2	4918.8	5312.4	6922.4	6051.6	6315.8	7611.1	7425.1	8293.6	9755.0	9280.4	8362.7	10562.3	9310.4	8803.0
less: Liabilities to nonresidents	-2124.5	-2551.5	-2661.3	-2698.2	-2176.6	-2258.6	-2215.3	-2198.8	-1368.2	-1476.6	-1425.8	-1471.3	-1482.9	-1367.0	-1405.2	-1339.8	-1257.4	-1412.9	-1269.5	-973.9	-977.5
<b>Domestic claims</b>	25156.9	25823.4	26543.4	25816.3	26945.3	27661.9	27185.6	27881.6	27940.1	27512.2	28337.5	28397.5	26689.8	27615.2	27310.2	26625.3	27610.3	27793.4	28172.3	29305.6	30299.6
Net claims on Central Government	820.9	778.0	1088.2	-169.3	293.7	610.4	-369.4	100.0	183.6	-678.6	8.4	113.3	-2199.5	-1831.5	-2880.4	-3415.1	-2735.5	-2892.5	-2590.3	-1693.0	-1095.7
Claims on Central Government	2419.1	2155.8	2528.4	2426.7	2543.8	2661.9	2555.8	2563.6	2464.0	2578.7	2571.8	2767.3	2785.2	2914.4	3098.8	3099.4	3012.1	3270.2	3315.5	3026.9	3037.3
less: Liabilities to Central Government	-1598.2	-1377.8	-1440.3	-2596.0	-2250.1	-2051.4	-2925.1	-2463.6	-2280.4	-3257.3	-2863.4	-2654.0	-4984.8	-4745.9	-5779.3	-6514.6	-5747.6	-6162.7	-5905.7	-4719.9	-4133.0
<b>Claims on other sectors</b>	24336.0	25045.4	25455.3	25985.6	26652.0	27051.4	27555.0	27781.6	27755.5	28190.8	28328.7	28284.2	28889.3	29447.2	29990.7	30040.4	30345.8	30685.8	30762.6	30999.6	31393.3
Other financial corporations	26.7	31.2	285.2	327.5	562.7	831.0	625.3	780.4	731.9	759.8	852.8	619.4	525.1	660.8	1017.3	942.4	1196.3	1067.7	983.6	1027.7	1193.1
State and local government	28.3	32.1	28.7	29.5	31.9	25.0	20.8	23.5	31.3	37.6	40.0	48.2	43.7	59.7	24.0	29.2	41.6	27.0	40.4	40.1	47.7
Public nonfinancial corporations	288.0	285.4	393.2	394.4	415.6	404.9	403.0	395.2	204.0	198.4	168.1	180.0	226.9	264.4	332.9	294.2	322.9	415.2	380.1	115.3	132.1
Other nonfinancial corporations	8479.0	8964.2	8636.3	8889.5	9099.5	9033.6	9385.1	9367.6	9264.8	9499.8	9340.0	9373.7	9923.8	10005.8	9915.1	9953.5	9666.3	9878.0	9915.0	10188.6	10231.9
Other resident sectors	15513.9	15732.4	16111.9	16344.7	16542.3	16757.0	17120.8	17225.9	17524.4	17695.2	17927.7	18062.9	18169.9	18456.5	18701.3	18821.1	19118.7	19297.9	19443.4	19626.9	19790.5
<b>Unclassified shares and other equity</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Broad money liabilities</b>	17796.4	17368.8	18754.2	19132.8	19717.0	20548.8	20973.0	20629.4	21511.9	22238.1	22617.5	22540.2	23244.6	23054.5	22589.7	23069.5	23499.5	22497.2	24854.5	24937.4	25701.2
<b>Currency outside depository corps</b>	646.9	663.0	691.0	714.6	678.8	726.7	727.4	767.4	785.6	772.0	839.7	763.4	739.1	731.3	797.4	744.5	777.4	814.5	794.8	883.1	861.8
<b>Transferable deposits</b>	9213.5	9693.6	10752.9	10726.7	11228.7	11366.5	11743.4	11544.1	12065.2	13562.1	13412.7	12937.7	13791.9	13916.8	14029.6	14126.1	14154.3	12547.1	14869.9	15021.7	14373.6
Other financial corporations	9213.5	1702.5	2294.6	1717.6	1817.0	2229.7	1712.7	1567.8	1461.0	1832.8	1934.3	1672.4	2039.7	2216.4	1888.5	1977.2	2035.4	2186.8	2688.9	2498.1	2506.7
State and local government	1647.5	162.0	168.8	192.2	178.2	193.7	200.4	223.2	215.3	225.0	189.1	189.1	159.2	166.9	158.9	175.7	168.1	277.2	303.7	334.7	183.2
Public nonfinancial corporations	189.8	546.3	649.0	677.7	696.6	733.0	593.7	561.0	781.9	964.3	1007.6	913.5	980.2	892.3	1234.7	953.1	605.2	487.0	403.9	463.0	539.6
Other nonfinancial corporations	409.0	5233.1	5422.5	5708.9	6313.6	6034.2	6774.2	6703.1	6696.2	7635.4	7303.9	7027.7	7303.0	7978.1	8070.8	8266.9	8679.6	6943.7	8530.8	8710.8	8161.5
Other resident sectors	4984.0	2158.0	2217.0	2322.0	2232.2	2159.7	2446.3	2476.2	2909.4	2904.7	2975.7	3113.0	3335.5	2650.0	2676.5	2753.0	2658.9	2652.1	2938.5	3015.0	2982.5
Unclassified	1983.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Central bank float	0.0	0.1	1.0	108.3	0.1	16.3	16.2	12.7	1.4	-0.1	0.1	22.1	-25.7	13.2	0.2	0.2	7.1	0.2	4.1	0.2	0.1
<b>Other deposits</b>	7936.0	7000.6	7308.9	7679.9	7800.1	8446.0	8494.2	8312.2	8655.2	7898.1	8359.3	8833.3	8707.6	8400.5	7756.7	8193.0	8562.0	9129.7	9183.9	9026.7	10459.9
Other financial corporations	7936.0	264.3	317.1	409.4	394.4	391.9	472.5	724.1	334.2	344.8	297.9	367.1	423.5	433.8	586.8	736.8	848.0	708.5	634.0	516.1	607.0
State and local government	218.8	190.8	168.1	175.4	183.6	177.7	147.7	160.3	141.6	160.8	166.0	198.8	216.8	227.6	286.8	274.0	254.7	201.6	286.9	274.7	269.9
Public nonfinancial corporations	112.2	848.2	833.6	773.8	768.2	887.4	867.4	880.9	398.4	274.1	248.6	564.3	386.5	382.1	369.8	517.3	685.1	735.2	786.9	808.7	1159.4
Other nonfinancial corporations	566.5	2664.9	2933.7	3133.2	3229.8	3700.8	3675.2	3161.3	4314.4	3765.0	4088.7	4119.4	3624.1	4155.7	3524.0	3596.6	3528.9	4213.1	4250.7	4152.7	4545.9
Other resident sectors	3361.4	3029.0	3056.4	3188.2	3212.2	3475.7	3319.2	3373.3	3443.2	3334.4	3543.6	3571.9	4039.2	3171.9	2960.0	3044.0	3220.0	3247.0	3201.1	3249.9	3853.1
Unclassified	3677.1	3.3	0.0	0.0	11.8	12.3	12.3	12.3	23.6	19.0	14.6	11.7	17.5	29.3	29.3	24.3	25.5	24.3	24.3	24.6	24.6
<b>Securities other than shares, included in broad money</b>	0.0	11.7	11.5	11.5	9.5	9.5	8.0	5.8	5.8	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9
<b>Deposits excluded from broad money</b>	0.0	300.8	414.6	182.9	206.2	267.5	441.6	382.2	767.8	1069.0	854.1	1090.9	806.7	806.3	855.8	1495.2	1335.2	1293.0	1194.9	1053.2	964.2
<b>Securities other than shares, excluded from broad money</b>	-234.6	3750.0	3913.8	4246.7	4181.9	3967.9	3864.9	3905.5	4018.8	4080.4	4108.6	4076.9	3323.1	4543.3	4957.7	5061.9	4938.1	5135.5	5314.3	5441.4	5265.3
Loans	389.3	5.5	5.2	5.6	5.2	5.6	5.6	5.7	5.6	2.2	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.0	4.9	4.9	4.9
Financial derivatives	2866.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credit and advances	0.0	4.3	2.1	3.2	3.3	2.8	1.9	4.2	4.0	88.5	3.9	4.9	173.3	46.0	88.0	35.1	39.8	145.7	45.4	71.1	98.0
Shares and other equity	4.0	5004.7	4840.8	4974.5	5210.1	5279.9	5261.1	5303.3	5418.4	5465.7	5408.6	5353.2	5498.0	5592.5	5470.9	5374.9	5667.5	5709.5	5869.4	5833.2	5814.2
Other items (net)	4864.2	619.5	-664.0	-894.8	-677.3	-951.7	-1066.6	-355.6	157.8	14.1	-35.2	170.6	-233.0	-374.2	231.3	-5.5	147.9	-42.8	181.9	301.0	277.4
Other liabilities (includes central bank float)	362.8	1497.9	1364.5	1232.1	1409.5	1518.5	1500.3	1688.6	1844.5	1715.3	2143.4	1968.9	1873.3	2234.2	1967.5	2051.4	2229.4	1939.6	1958.3	1917.4	2164.6
less: Other assets	1388.5	-2233.7	-1996.7	-1974.0	-1747.6	-2052.4	-2287.4	-1918.4	-1819.0	-1821.9	-2396.3	-2030.6	-2092.5	-2432.4	-1740.5	-2086.5	-2091.1	-1902.2	-2078.9	-2046.0	-2238.1
plus: Consolidation adjustment	-1950.9	1355.3	-31.9	-153.0	-339.1	-417.7	-279.5	-125.8	132.3	120.7	217.7	232.3	-13.7	-175.9	4.3	29.6	9.6	-80.2	302.5	429.6	350.9
Memoranda: Central bank float	0.0	-0.1	-1.0	-108.3	-0.1	-16.3	-16.2	-12.7	-1.4	0.1	-0.1	-22.1	25.7	-13.2	-0.2	-0.2	-7.1	-0.2	-4.1	-0.2	-0.1

Table II.4 Other depository corporations claims on domestic sectors  
(end period in N\$ million)

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07
<b>Loans</b>	24282.0	24982.9	25190.8	25670.8	26100.9	26198.1	26912.0	27001.9	27069.9	27492.0	27551.2	27750.0	28442.3	28869.8	29068.7	29229.3	29287.9	29745.6	30066.3	30155.5	30522.7
Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other depository corporations	0.0	0.0	159.6	158.3	160.3	128.6	130.3	151.0	133.6	148.2	149.9	151.9	153.6	155.1	162.6	174.1	165.7	167.3	309.1	171.1	288.1
Other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Central government	3.4	2.8	0.9	1.2	1.7	1.6	2.2	2.5	1.6	1.1	13.2	17.3	4.0	9.1	12.4	4.8	19.1	7.9	19.4	7.2	12.1
State and local government	28.3	32.1	28.7	29.5	31.9	25.0	20.8	23.5	31.3	37.6	40.0	48.2	43.7	59.7	24.0	29.2	41.6	27.0	40.4	40.1	47.7
Public nonfinancial corporations	283.7	283.5	289.4	290.6	311.8	301.1	299.2	291.4	100.2	100.2	69.9	81.8	128.7	166.2	234.7	231.0	259.7	352.0	316.4	101.6	130.8
<b>Other nonfinancial corporations (Businesses)</b>	<b>8407.5</b>	<b>8891.9</b>	<b>8563.1</b>	<b>8816.2</b>	<b>9024.5</b>	<b>8957.7</b>	<b>9311.8</b>	<b>9283.3</b>	<b>9251.6</b>	<b>9486.6</b>	<b>9326.9</b>	<b>9380.2</b>	<b>9912.9</b>	<b>9994.8</b>	<b>9903.9</b>	<b>9942.2</b>	<b>9654.9</b>	<b>9866.5</b>	<b>9906.1</b>	<b>10179.5</b>	<b>10222.7</b>
<b>Loans and Advances</b>	<b>6563.5</b>	<b>7024.1</b>	<b>6728.9</b>	<b>6953.2</b>	<b>7135.2</b>	<b>7127.9</b>	<b>7455.5</b>	<b>7410.0</b>	<b>7201.7</b>	<b>7439.3</b>	<b>7231.5</b>	<b>7255.6</b>	<b>7744.6</b>	<b>7812.4</b>	<b>7754.3</b>	<b>7728.2</b>	<b>7427.8</b>	<b>7686.5</b>	<b>7659.6</b>	<b>7944.9</b>	<b>8079.0</b>
Farm mortgage loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other mortgage loans	689.7	692.5	746.3	755.4	743.7	746.3	786.4	827.0	1459.2	1289.2	1650.5	1662.5	1696.7	1701.4	1845.4	1886.1	1882.7	1939.2	1651.4	1638.7	1595.2
Dwellings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	689.7	692.5	746.3	755.4	743.7	746.3	786.4	827.0	1459.2	1289.2	1650.5	1662.5	1696.7	1701.4	1845.4	1886.1	1882.7	1939.2	1651.4	1638.7	1595.2
Overdrafts	3413.3	3833.3	3551.3	3682.9	3873.8	3842.7	4017.2	3989.2	3680.4	3778.2	3449.3	3422.7	3725.5	3670.3	3551.1	3398.5	3319.1	3274.9	3699.3	3817.4	3836.0
Other loans and advances	2460.4	2498.4	2431.3	2514.9	2517.7	2538.9	2651.9	2593.8	2082.2	2371.8	2131.7	2170.4	2322.4	2440.7	2357.8	2443.6	2226.0	2472.5	2308.9	2488.8	2647.8
Leasing	39.5	39.2	40.2	40.6	40.3	39.9	41.2	40.7	40.8	41.0	39.7	35.3	35.6	36.7	37.0	41.2	41.4	43.4	47.1	48.0	46.9
Instalment credit	1027.6	1049.3	1077.1	1084.0	1099.1	1106.6	1117.0	1122.0	1299.6	1307.7	1331.6	1346.8	1416.5	1429.6	1386.5	1417.8	1425.9	1378.6	1441.5	1445.6	1353.3
Other	776.8	779.4	717.0	738.4	749.9	683.3	698.1	710.5	709.5	698.7	724.0	722.5	716.2	716.1	726.1	755.0	759.9	757.9	757.9	741.1	743.5
<b>Other resident sectors (Individuals)</b>	<b>15499.9</b>	<b>15718.7</b>	<b>16097.9</b>	<b>16330.6</b>	<b>16526.5</b>	<b>16738.6</b>	<b>17101.0</b>	<b>17208.1</b>	<b>17508.2</b>	<b>17678.3</b>	<b>17910.1</b>	<b>18044.3</b>	<b>18152.8</b>	<b>18439.2</b>	<b>18684.9</b>	<b>18805.1</b>	<b>19102.7</b>	<b>19280.7</b>	<b>19425.7</b>	<b>19608.6</b>	<b>19772.6</b>
<b>Loans and advances</b>	<b>12234.6</b>	<b>12378.5</b>	<b>12699.0</b>	<b>12904.3</b>	<b>13044.8</b>	<b>13245.2</b>	<b>13556.9</b>	<b>13606.1</b>	<b>14069.4</b>	<b>14172.2</b>	<b>14353.1</b>	<b>14464.2</b>	<b>14635.9</b>	<b>14934.2</b>	<b>15145.6</b>	<b>15243.5</b>	<b>15517.1</b>	<b>15617.5</b>	<b>15758.3</b>	<b>15935.9</b>	<b>16055.5</b>
Farm mortgage loans	709.5	706.7	672.1	718.3	752.1	720.6	719.1	720.7	719.1	701.8	701.8	716.6	716.6	716.6	716.6	716.6	723.6	724.8	724.8	724.8	724.8
Other mortgage loans	9242.6	9329.3	9586.1	9772.5	9868.2	10026.4	10281.1	10328.0	10513.3	10592.4	10811.1	10935.2	11021.3	11323.2	11456.4	11595.9	11797.9	11886.7	11991.1	12122.8	12407.2
Dwellings	8824.9	8908.6	9586.1	9772.5	9868.2	10026.4	10281.1	10328.0	10513.3	10592.4	10811.1	10935.2	11021.3	11323.2	11456.4	11595.9	11797.9	11886.7	11991.1	12122.8	12407.2
Other	417.7	420.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overdrafts	1016.8	1048.4	1070.0	1062.5	1098.5	1130.0	1144.2	1167.8	1122.3	1147.7	1057.7	1026.5	1096.6	1095.2	1114.2	1092.0	1189.9	1097.4	1135.2	1152.3	1093.0
Other loans and advances	1265.7	1294.1	1370.8	1351.1	1325.9	1368.3	1412.4	1389.5	1714.7	1730.4	1782.5	1785.9	1801.3	1799.2	1858.4	1839.0	1805.8	1908.5	1907.2	1936.0	1830.4
Leasing	59.3	60.8	59.8	59.5	60.0	59.2	63.7	65.9	67.2	75.2	73.3	72.9	66.6	66.3	67.4	66.5	70.9	73.7	73.8	73.0	74.8
Instalment credit	2895.6	2965.0	3022.5	3043.6	3098.0	3108.2	3150.3	3202.9	3035.8	3100.4	3147.2	3165.3	3101.6	3087.0	3116.6	3135.8	3153.3	3228.3	3231.0	3238.5	3280.4
Other	310.4	314.4	316.6	323.1	323.7	326.0	330.2	333.2	335.7	330.5	336.5	341.9	348.7	351.7	355.2	359.2	361.4	361.3	362.6	361.1	361.9
<b>Nonresidents</b>	<b>59.1</b>	<b>53.8</b>	<b>51.2</b>	<b>44.5</b>	<b>44.0</b>	<b>45.6</b>	<b>46.7</b>	<b>42.2</b>	<b>43.4</b>	<b>39.9</b>	<b>41.2</b>	<b>46.2</b>	<b>46.7</b>	<b>45.7</b>	<b>46.2</b>	<b>43.0</b>	<b>44.2</b>	<b>44.3</b>	<b>49.4</b>	<b>47.3</b>	<b>48.7</b>
<b>Loans and Advances</b>	<b>59.1</b>	<b>53.8</b>	<b>51.2</b>	<b>44.5</b>	<b>44.0</b>	<b>45.6</b>	<b>46.7</b>	<b>42.2</b>	<b>43.4</b>	<b>39.9</b>	<b>41.2</b>	<b>46.2</b>	<b>46.7</b>	<b>45.7</b>	<b>46.2</b>	<b>43.0</b>	<b>44.2</b>	<b>44.3</b>	<b>49.4</b>	<b>47.3</b>	<b>48.7</b>
Farm mortgage loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other mortgage loans	38.1	49.8	47.2	26.4	28.8	29.2	31.7	26.9	27.8	24.1	25.2	30.0	29.2	27.3	27.9	24.6	26.1	25.9	28.7	28.2	28.7
Dwellings	0.0	36.1	31.7	0.0	28.8	29.2	31.7	26.9	27.8	24.1	25.2	30.0	29.2	27.3	27.9	24.6	26.1	25.9	28.7	28.2	28.7
Other	38.1	13.8	15.5	26.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overdrafts	16.9	0.0	0.0	14.3	11.5	12.5	11.2	11.9	12.2	12.4	12.8	13.1	14.2	15.2	15.1	15.3	15.3	15.4	15.8	16.1	16.9
Other loans and advances	4.1	4.0	4.0	3.8	3.8	3.8	3.8	3.5	3.5	3.4	3.2	3.2	3.3	3.3	3.2	3.1	2.8	3.0	4.9	3.0	3.0
Leasing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Instalment credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Table II.5 Deposits of other depository corporations  
(end period in N\$ million)**

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07
<b>Total Deposits</b>	19673.2	19970.2	20895.8	21831.0	22137.2	23354.0	23884.6	23999.2	24042.4	25163.2	25166.9	25578.8	26340.5	26067.5	25819.7	27128.5	27632.6	26133.5	27165.1	27106.2	27476.7
<b>Deposits included in broad money</b>	16402.3	16766.3	18060.7	18298.4	19028.7	19796.2	20221.4	19843.5	20719.0	21460.4	21771.9	21748.8	22525.1	22304.1	21786.1	22318.9	22724.6	21676.6	24049.7	24048.3	24833.4
<b>Transferable deposits</b>	9322.8	9765.8	10751.9	10618.4	11228.6	11350.2	11727.2	11531.3	12063.8	13562.3	13412.6	12915.6	13817.6	13903.6	14029.4	14125.9	14162.6	12546.9	14865.8	15021.6	14373.4
<b>In national currency</b>	9322.8	9765.8	10751.9	10618.4	11228.6	11350.2	11727.2	11531.3	12063.8	13562.3	13412.6	12915.6	13817.6	13903.6	14029.4	14125.9	14162.6	12546.9	14865.8	15021.6	14373.4
Other financial corporations	1647.5	1702.5	2294.6	1717.6	1817.0	2229.7	1712.7	1667.8	1461.0	1832.8	1934.3	1672.4	2039.7	2216.4	1888.5	1977.2	2035.4	2186.8	2688.9	2498.1	2506.7
State and local government	189.8	162.0	168.8	192.2	178.2	193.7	200.4	223.2	215.3	225.0	191.2	189.1	159.2	166.9	158.9	175.7	168.1	277.2	303.7	334.7	183.2
Public nonfinancial corps	530.3	546.3	649.0	677.7	696.6	733.0	593.7	561.0	781.9	964.3	1007.6	913.5	980.2	892.3	1234.7	953.1	620.5	487.0	403.9	463.0	539.6
Other nonfinancial corps	4972.1	5233.1	5422.5	5708.9	6313.6	6034.2	6774.2	6703.1	6696.2	7635.4	7303.9	7027.7	7303.0	7978.1	8070.8	8266.9	8679.5	6943.7	8530.8	8710.8	8161.5
Other resident sectors	1983.1	2121.8	2217.0	2322.0	2223.2	2159.7	2446.3	2476.2	2909.3	2904.7	2975.7	3113.0	3335.5	2650.0	2676.5	2753.0	2659.0	2652.1	2938.5	3015.0	2982.5
Unclassified	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
In foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Other deposits</b>	7079.5	7000.6	7308.9	7679.9	7800.1	8446.0	8494.2	8312.2	8655.2	7898.1	8359.3	8833.3	8707.6	8400.5	7756.7	8193.0	8562.0	9129.7	9183.9	9026.7	10459.9
<b>In national currency</b>	7079.5	7000.6	7308.9	7679.9	7800.1	8446.0	8494.2	8312.2	8655.2	7898.1	8359.3	8833.3	8707.6	8400.5	7756.7	8193.0	8562.0	9129.7	9183.9	9026.7	10459.9
Other financial corporations	332.5	264.3	317.1	409.4	394.4	391.9	472.5	724.1	334.2	344.8	297.9	367.1	423.5	433.8	586.8	736.8	848.0	708.5	634.0	516.1	607.0
State and local government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	160.8	166.0	198.8	216.8	227.6	286.8	274.0	254.7	201.6	286.9	274.7	269.9
Public nonfinancial corps	690.3	848.2	833.6	773.8	768.2	687.7	867.4	880.9	398.4	274.1	248.6	564.3	386.5	382.1	369.8	517.3	685.1	735.2	786.9	808.7	1159.4
Other nonfinancial corps	2842.2	2664.9	2933.7	3133.2	3229.8	3700.8	3675.2	3161.3	4314.4	3765.0	4088.7	4119.4	3624.1	4155.7	3524.0	3596.6	3528.9	4213.1	4250.7	4152.7	4545.9
Other resident sectors	3025.7	3029.0	3056.4	3188.2	3212.2	3475.7	3319.2	3373.3	3443.2	3334.4	3543.6	3571.9	4039.2	3171.9	2960.0	3044.0	3220.0	3247.0	3201.1	3249.9	3853.1
Unclassified	11.6	3.3	0.0	0.0	11.8	12.3	12.3	12.3	23.6	19.0	14.6	11.7	17.5	29.3	29.3	24.3	25.5	24.3	24.3	24.6	24.6
In foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unclassified	11.6	3.3	0.0	0.0	11.8	12.3	12.3	12.3	23.6	19.0	14.6	11.7	17.5	29.3	29.3	24.3	25.5	24.3	24.3	24.6	24.6
<b>Deposits excluded from broad money</b>	3270.9	3203.9	2835.1	3532.6	3108.5	3557.8	3663.3	3755.7	3323.4	3702.8	3395.0	3830.0	3815.3	3763.4	4033.6	4809.6	4908.0	4457.0	3115.3	3057.9	2643.4
<b>Transferable deposits</b>	1645.6	1509.8	1436.3	1617.2	1469.6	1967.8	1946.2	2026.4	1827.7	1995.1	1820.9	1625.5	1623.9	1830.4	2290.2	2995.7	3168.4	2638.7	1785.9	1556.7	1473.1
In national currency	1294.9	1170.0	1014.2	1424.6	1257.3	1462.9	1495.9	1636.0	1337.3	1393.1	1159.1	1129.3	1127.4	1399.4	1623.4	1770.2	2031.2	1655.8	952.6	930.8	806.8
In foreign currency	350.7	339.8	422.0	192.6	212.4	504.9	450.2	390.4	490.4	602.0	661.8	496.2	496.5	431.1	666.8	1225.4	1137.1	982.8	833.3	625.9	666.3
<b>Other deposits</b>	1625.4	1694.1	1398.8	1915.4	1638.9	1590.0	1717.1	1729.3	1495.6	1707.7	1574.1	2204.4	2191.5	1932.9	1743.4	1814.0	1739.7	1818.3	1329.4	1501.2	1170.3
In national currency	1160.5	1256.1	981.9	1508.2	1564.3	1478.1	1668.6	1679.1	1441.8	1494.4	1346.0	1837.6	2174.5	1920.4	1715.5	1795.5	1724.3	1624.9	1299.1	1405.8	1141.2
In foreign currency	464.9	437.9	416.9	407.2	74.6	111.8	47.5	50.2	53.8	213.3	228.1	366.8	17.0	12.5	27.9	18.5	15.4	193.4	30.3	95.4	29.1

**Table II.6 Monetary aggregates**  
N\$ million

		Currency in Circulation 1	Transferable Deposits 2	Narrow Money (M1) 3	Other Deposits 4	Securities included in M2 5	Broad Money Supply (M2) 6
				1+2 = 3			3+4+5=6
<b>2004</b>		632.7	8937.1	9569.8	6259.1	0.0	15828.9
<b>2005</b>		680.0	8728.8	9408.9	7961.4	0.0	17370.2
<b>2006</b>		763.4	12937.7	13701.0	8833.3	5.9	22540.2
<b>2004</b>	Jan	587.4	7495.7	8083.2	5854.9	0.0	13938.1
	Feb	604.0	8016.6	8620.6	5930.8	0.0	14551.4
	Mar	574.8	8153.9	8728.7	6079.1	0.0	14807.8
	Apr	644.2	8408.3	9052.6	5754.4	0.0	14806.9
	May	609.4	8225.9	8835.3	5812.7	0.0	14648.0
	Jun	606.1	7993.1	8599.2	5811.0	0.0	14410.2
	Jul	646.4	7917.0	8563.4	6263.1	0.0	14826.5
	Aug	625.6	8723.2	9348.8	6241.5	0.0	15590.3
	Sep	631.5	8697.3	9328.8	6484.7	0.0	15813.5
	Oct	667.0	9233.5	9900.5	6568.5	0.0	16469.1
	Nov	669.6	9236.0	9905.6	6729.7	0.0	16635.3
	Dec	632.7	8937.1	9569.8	6259.1	0.0	15828.9
<b>2005</b>	Jan	619.3	8050.4	8669.7	7009.1	0.0	15678.8
	Feb	639.0	8146.2	8785.2	7547.8	0.0	16333.0
	Mar	628.8	8462.7	9091.5	7396.2	0.0	16487.7
	Apr	696.5	8738.8	9435.4	7563.9	0.0	16999.2
	May	676.9	9092.7	9769.6	7152.7	0.0	16922.3
	Jun	656.3	9068.5	9724.8	7465.7	0.0	17190.4
	Jul	711.6	9368.5	10080.0	7493.6	0.0	17573.6
	Aug	683.2	9322.5	10005.7	7413.5	0.0	17419.2
	Sep	697.8	8976.4	9674.2	7391.3	0.0	17065.4
	Oct	668.5	9063.7	9732.3	7589.7	0.0	17322.0
	Nov	706.1	8882.0	9588.1	7879.5	0.0	17467.6
	Dec	680.0	8728.8	9408.9	7961.4	0.0	17370.2
<b>2006</b>	Jan	646.9	9213.5	9860.4	7936.0	0.0	17796.4
	Feb	663.0	9693.6	10356.6	7000.6	11.7	17368.8
	Mar	681.0	10752.9	11433.9	7308.9	11.5	18754.2
	Apr	714.6	10726.7	11441.3	7679.9	11.5	19132.8
	May	678.8	11228.7	11907.5	7800.1	9.5	19717.0
	Jun	726.7	11366.5	12093.2	8446.0	9.5	20548.8
	Jul	727.4	11743.4	12470.8	8494.2	8.0	20973.0
	Aug	767.4	11544.1	12311.4	8312.2	5.8	20629.4
	Sep	785.6	12065.2	12850.9	8655.2	5.8	21511.9
	Oct	772.0	13562.1	14334.1	7898.1	5.9	22238.1
	Nov	839.7	13412.7	14252.4	8359.3	5.9	22617.5
	Dec	763.4	12937.7	13701.0	8833.3	5.9	22540.2
<b>2007</b>	Jan	739.1	13791.9	14531.1	8707.6	5.9	23244.6
	Feb	731.3	13916.8	14648.1	8400.5	5.9	23054.5
	Mar	797.4	14029.6	14827.1	7756.7	5.9	22589.7
	Apr	744.5	14126.1	14870.6	8193.0	5.9	23069.5
	May	777.4	14154.3	14931.6	8562.0	5.9	23499.5
	Jun	814.5	12547.1	13361.6	9129.7	5.9	22497.2
	Jul	794.8	14869.9	15664.7	9183.9	5.9	24854.5
	Aug	883.1	15021.7	15904.8	9026.7	5.9	24937.4
	Sep	861.8	14373.6	15235.4	10459.9	5.9	25701.2



**Table II.7 Monetary analysis**  
N\$ million

	Broad Money Supply (M2)	Determinants of Money Supply							
		Net Foreign assets (cumulative flow)	Claims on the Central Government			Net claims on Central Government	Claims on other sectors	Other items Net	
			Gross claims	Government deposits	Other liabilities				
<b>2005</b>	Jan	15678.7	1350.0	2003.7	1847.6	84.8	71.4	20651.9	-6394.5
	Feb	16333.0	1614.9	2136.8	1570.9	84.8	481.1	20776.6	-6539.7
	Mar	16487.7	1576.5	2164.3	1310.2	39.8	814.4	21221.2	-7124.3
	Apr	16999.2	1095.7	1876.1	1202.8	39.8	633.6	21649.4	-6379.4
	May	16922.3	273.1	1920.2	913.0	39.8	967.5	22063.9	-6382.2
	Jun	17190.4	94.8	2203.0	767.7	39.8	1395.5	22113.8	-6413.7
	Jul	17573.6	742.8	2094.1	1222.0	39.8	832.3	22570.8	-6572.3
	Aug	17419.2	490.6	2113.7	921.5	39.8	1152.4	22851.4	-7075.3
	Sep	17065.4	-66.4	2082.5	708.6	39.8	1334.2	23089.8	-7292.1
	Oct	17322.0	700.0	2079.7	1185.7	39.8	854.2	23329.4	-7561.6
	Nov	17467.6	337.9	2007.4	871.3	39.8	1096.3	23781.4	-7748.1
	Dec	17370.2	-156.3	2586.1	1140.6	39.8	1405.7	24264.4	-8143.6
<b>2006</b>	Jan	17796.4	891.4	2419.1	1558.4	39.8	820.9	24336.0	-8251.9
	Feb	17368.8	418.4	2155.8	1338.1	39.8	778.0	25045.4	-8872.9
	Mar	18754.2	723.3	2528.4	1386.6	53.7	1088.2	25455.3	-8512.5
	Apr	19132.8	1834.6	2426.7	2542.3	53.7	-169.3	25985.6	-8518.2
	May	19717.0	1700.7	2543.8	2196.4	53.7	293.7	26652.0	-8929.3
	Jun	20548.8	1459.0	2661.9	1997.7	53.7	610.4	27051.4	-8572.1
	Jul	20973.0	2295.9	2555.8	2871.4	53.8	-369.4	27555.0	-8508.6
	Aug	20629.4	1993.0	2563.6	2409.8	53.8	100.0	27781.6	-9245.2
	Sep	21511.9	3944.3	2464.0	2229.3	51.1	183.6	27756.5	-10372.4
	Oct	22238.1	5445.8	2578.7	3193.1	64.1	-678.6	28190.8	-10719.9
	Nov	22617.5	4625.8	2571.8	2499.2	64.2	8.4	28328.7	-10345.4
	Dec	22540.2	4844.5	2767.3	2589.6	64.4	113.3	28284.2	-10701.8
<b>2007</b>	Jan	23244.6	6128.2	2785.2	4920.3	64.5	-2199.5	28889.3	-9573.4
	Feb	23054.6	6058.1	2914.4	4681.4	64.5	-1831.5	29447.2	-10619.2
	Mar	22589.7	6888.5	3098.8	5712.0	67.3	-2680.5	29990.7	-11609.0
	Apr	23069.5	8415.2	3099.4	6463.4	51.2	-3415.1	30040.4	-11971.0
	May	23499.5	8023.0	3012.1	5742.7	51.2	-2781.9	30345.8	-12087.5
	Jun	22497.2	6949.8	3270.2	6110.0	52.7	-2892.5	30685.8	-12245.9
	Jul	24854.4	9292.8	3315.5	5853.1	52.7	-2590.3	30762.6	-12610.7
	Aug	24937.4	8336.5	3026.9	4667.2	52.7	-1693.0	30998.6	-12704.7
	Sep	25701.1	7825.5	3037.3	4080.3	52.7	-1095.7	31395.3	-12423.9

**Table II.8 Changes in determinants of money supply**  
**N\$ million**

	Broad Money Supply (M2)	Determinants of Money Supply							
		Claims on the Central Government					Claims on other sectors	Other items net	
		Net foreign assets (cumulative flow)	Gross claims	Government deposits	Other liabilities	Net claims on Central Government			
<b>2005</b>	Jan	-368.5	504.6	-176.6	623.8	-84.8	-772	396.9	435.2
	Feb	654.3	264.9	133.1	-276.7	0.0	409.7	124.8	-145.2
	Mar	154.7	-38.5	27.5	-260.7	-45.0	333.2	444.6	-584.6
	Apr	511.5	-480.7	-288.2	-107.4	0.0	-180.8	428.2	744.9
	May	-77.0	-822.6	44.0	-289.9	0.0	333.9	414.6	-2.8
	Jun	268.2	-178.3	282.9	-145.2	0.0	428.1	49.9	-31.5
	Jul	383.2	648.0	-109.0	454.2	0.0	-563.2	457.0	-158.6
	Aug	-154.4	-252.1	19.6	-300.5	0.0	320.1	280.6	-503.0
	Sep	-353.8	-557.1	-31.1	-212.9	0.0	181.8	238.4	-216.8
	Oct	256.5	766.4	-2.9	477.1	0.0	-480.0	239.6	-269.5
	Nov	145.6	-362.1	-72.3	-314.4	0.0	242.1	452.1	-186.4
	Dec	-97.4	-494.2	578.7	269.3	0.0	309.4	483.0	-395.5
<b>2006</b>	Jan	426.2	1047.8	-167.0	417.8	0.0	-584.8	71.6	-108.3
	Feb	-427.6	-473.0	-263.3	-220.3	0.0	-42.9	709.4	-621.0
	Mar	1385.4	304.9	372.6	48.5	13.9	310.2	409.9	360.4
	Apr	378.5	1111.4	-101.7	1155.7	0.0	-1257.4	530.3	-5.7
	May	584.3	-134.0	117.0	-346.0	0.0	463.0	666.4	-411.1
	Jun	831.8	-241.7	118.1	-198.6	0.0	316.7	399.4	357.3
	Jul	424.1	836.9	-106.1	873.7	0.0	-979.8	503.6	63.5
	Aug	-343.5	-302.9	7.8	-461.5	0.0	469.4	226.6	-736.6
	Sep	882.5	1951.3	-99.6	-180.6	-2.6	83.6	-25.1	-1127.2
	Oct	726.2	1501.6	114.7	963.9	13.0	-862.2	434.3	-347.5
	Nov	379.4	-820.1	-6.9	-694.0	0.1	687.0	137.9	374.6
	Dec	-77.3	218.8	195.5	90.4	0.1	104.9	-44.5	-356.4
<b>2007</b>	Jan	704.4	1283.7	17.9	2330.7	0.1	-2312.9	605.2	1128.4
	Feb	-190.0	-70.1	129.2	-238.9	0.1	368.0	557.8	-1045.8
	Mar	-464.9	830.4	184.4	1030.6	2.8	-848.9	543.5	-989.8
	Apr	479.8	1526.7	0.6	751.4	-16.1	-734.7	49.8	-362.0
	May	430.0	-392.2	-87.3	-720.6	0.0	633.3	305.4	-116.5
	Jun	-1002.3	-1073.3	258.1	367.3	1.5	-110.6	340.0	-158.4
	Jul	2357.2	2343.1	45.3	-257.0	0.0	302.2	76.8	-364.8
	Aug	82.9	-956.3	-288.6	-1185.9	0.0	897.3	236.0	-94.0
	Sept	763.8	-511.0	10.4	-586.8	0.0	597.2	396.7	280.8

Table II.9 Selected interest rates: Namibia and South Africa

		Prime lending rate		Average lending rate		Treasury bill rate (3 month)		Deposit rates		Bank rate	Repo rate
		Namibia	SA	Namibia	SA	Namibia	SA	Namibia	SA	Namibia	SA
<b>2004</b>	Jan	12.50	11.50	11.54	11.50	7.90	7.56	6.48	8.05	7.75	8.00
	Feb	12.50	11.50	11.61	11.50	8.00	7.56	6.56	7.45	7.75	8.00
	Mar	12.50	11.50	11.49	11.50	8.20	7.76	6.38	7.48	7.75	8.00
	Apr	12.50	11.50	12.82	11.50	8.01	7.76	6.25	7.48	7.75	8.00
	May	12.50	11.50	11.40	11.50	7.98	7.76	6.38	7.48	7.75	8.00
	Jun	12.50	11.50	11.59	11.50	8.07	7.83	6.38	7.71	7.75	8.00
	Jul	12.50	11.50	11.38	11.50	8.02	7.89	6.48	7.62	7.50	8.00
	Aug	12.25	11.00	11.10	11.00	8.13	7.44	6.29	7.23	7.50	7.50
	Sep	12.25	11.00	11.16	11.00	7.66	7.12	6.20	6.84	7.50	7.50
	Oct	12.25	11.00	10.79	11.00	7.48	7.28	6.26	6.76	7.50	7.50
	Nov	12.25	11.00	10.06	11.00	7.55	7.25	6.20	6.71	7.50	7.50
	Dec	12.25	11.00	10.73	11.00	7.49	7.27	6.36	6.71	7.50	7.50
<b>2005</b>	Jan	12.25	11.00	10.68	11.00	7.67	7.29	6.18	6.72	7.50	7.50
	Feb	12.25	11.00	10.66	11.00	7.58	7.23	6.18	6.71	7.50	7.50
	Mar	12.25	11.00	10.56	11.00	7.58	7.20	6.53	6.77	7.50	7.50
	Apr	11.75	10.50	10.66	10.50	7.59	6.95	6.50	6.77	7.00	7.00
	May	11.75	10.50	10.58	10.50	6.80	6.75	6.31	6.48	7.00	7.00
	Jun	11.75	10.50	10.52	10.50	6.16	6.76	6.21	6.48	7.00	7.00
	Jul	11.75	10.50	10.52	10.50	7.11	6.73	6.13	6.48	7.00	7.00
	Aug	11.75	10.50	10.50	10.50	6.71	6.73	6.06	6.48	7.00	7.00
	Sep	11.75	10.50	10.77	10.50	6.75	6.74	6.13	6.66	7.00	7.00
	Oct	11.75	10.50	10.55	10.50	6.93	6.79	5.98	6.82	7.00	7.00
	Nov	11.75	10.50	10.54	10.50	6.93	6.89	60.2	7.06	7.00	7.00
	Dec	11.75	10.50	10.78	10.50	7.01	6.82	5.99	6.75	7.00	7.00
<b>2006</b>	Jan	11.75	10.50	10.46	10.50	7.03	6.74	6.09	6.59	7.00	7.00
	Feb	11.75	10.50	10.69	10.50	6.94	6.68	6.10	6.58	7.00	7.00
	Mar	11.75	10.50	10.78	10.50	6.67	6.53	6.11	6.62	7.00	7.00
	Apr	11.75	10.50	10.58	10.50	6.63	6.65	6.31	6.59	7.00	7.00
	May	11.75	10.50	10.80	10.50	6.50	6.80	6.13	6.75	7.00	7.00
	Jun	12.25	11.00	10.61	11.00	6.77	7.11	6.24	7.32	7.50	7.50
	Jul	12.25	11.00	10.93	11.00	7.23	7.28	6.18	7.46	7.50	7.50
	Aug	12.75	11.50	11.01	11.50	7.56	7.69	6.34	7.92	8.00	8.00
	Sep	12.75	11.50	11.71	11.50	7.57	7.75	6.22	8.08	8.00	8.00
	Oct	13.25	12.00	11.97	12.00	7.52	8.22	6.37	8.36	8.50	8.50
	Nov	13.25	12.00	12.20	12.00	7.95	8.23	6.64	8.57	8.50	8.50
	Dec	13.25	12.50	12.43	12.50	7.95	8.39	6.85	8.57	9.00	9.00
<b>2007</b>	Jan	13.75	12.50	12.63	12.50	8.36	8.87	6.98	9.00	9.00	9.00
	Feb	13.75	12.50	12.32	12.50	8.22	8.41	7.38	8.99	9.00	9.00
	Mar	13.75	12.50	11.90	12.50	8.06	8.26	7.22	8.93	9.00	9.00
	Apr	13.75	12.50	12.44	12.50	8.00	8.32	7.18	9.22	9.00	9.00
	May	13.75	12.50	12.65	12.50	8.11	8.68	7.34	9.23	9.00	9.00
	Jun	14.25	13.00	12.22	12.88	8.03	9.10	7.24	9.59	9.50	9.50
	Jul	14.25	13.00	13.03	13.00	8.66	8.86	7.49	9.93	9.50	9.50
	Aug	14.75	13.50	12.85	13.25	8.98	9.26	7.68	10.15	10.00	10.00
	Sept	14.75	13.50	12.89	13.50	9.24	9.43	7.74	10.11	10.00	10.00

## ECONOMIC DEVELOPMENTS

**Table III.1(a) Treasury bills auction N\$ million**

		Offer	Tendered	Surplus(+) Deficit (-)	Effective Yield %
<b>91 days</b>					
<b>2006</b>					
	January	30.0	35.8	5.8	7.4
	February	50.0	102.6	52.6	7.3
	March	150.0	238.4	88.4	7.0
	April	30.0	76.9	46.9	6.9
	May	50.0	142.0	92.0	6.8
	June	150.0	232.3	82.3	7.1
	July	50.0	217.1	167.1	7.6
	August	100.0	277.5	177.5	7.9
	September	150.0	399.6	249.6	7.9
	October	50.0	150.6	100.6	7.9
	November	100.0	340.8	240.8	8.4
	December	150.0	303.6	153.6	8.7
<b>2007</b>					
	January	50.0	146.5	96.5	8.7
	February	100.0	228.9	128.9	8.6
	March	150.0	262.4	112.4	8.5
	April	50.0	150.0	100.0	8.4
	May	100.0	292.2	192.2	8.5
	June	150.0	223.3	73.3	8.5
	July	50.0	105.7	55.7	9.1
	August	100.0	145.0	45.0	9.5
	September	150.0	332.4	182.4	9.8
	October	50.0	93.6	43.6	9.7
	November	100.0	206.5	106.5	9.7
<b>182 days</b>					
<b>2006</b>					
	January	50.0	159.6	109.6	7.3
	February	200.0	349.6	149.6	7.4
	March	400.0	948.6	548.6	7.2
	May	130.0	279.4	149.4	7.0
	June	120.0	171.5	51.5	7.2
	July	50.0	186.2	136.2	7.9
	August	200.0	409.1	209.1	8.1
	September	350.0	993.5	643.5	8.1
	November	150.0	387.3	237.3	8.1
	December	200.0	396.6	196.6	8.4
<b>2007</b>					
	January	50.0	134.5	84.5	8.4
	February	120.0	288.2	168.2	8.4
	March	300.0	753.7	453.7	8.6
	April	0.0	0.0	0.0	0.0
	May	150.0	341.1	191.1	8.6
	June	200.0	487.2	287.2	8.4
	July	50.0	198.3	148.3	9.5
	August	320.0	322.1	2.1	9.8
	September	100.0	206.0	106.0	10.0
	November	150.0	300.0	150.0	10.0
<b>365 days</b>					
<b>2006</b>					
	January	40.0	167.8	127.8	7.7
	February	100.0	197.9	97.9	7.7
	March	230.0	674.9	444.9	7.5
	April	200.0	474.8	274.8	7.4
	May	350.0	700.4	350.4	7.5
	June	330.0	582.4	252.4	7.7
	July	200.0	347.7	147.7	8.4
	August	300.0	782.7	482.7	9.3
	September	500.0	1088.3	588.3	9.2
	October	50.0	192.0	142.0	9.2
	November	400.0	1011.8	611.8	9.1
	December	250.0	306.4	56.4	9.2
<b>2007</b>					
	February	100.0	320.1	220.1	9.0
	March	100.0	326.6	226.6	8.9
	April	100.0	264.0	164.0	8.9
	May	250.0	766.2	516.2	8.8
	June	330.0	598.9	268.9	8.6
	July	100.0	166.0	66.0	10.0
	August	200.0	422.7	222.7	10.1
	September	250.0	493.8	243.8	10.2
	October	50.0	124.9	74.9	10.1
	November	250.0	407.0	157.0	10.2

**TABLE III. 1 (b) Allotment of Government of Namibia treasury bills**  
**N\$ million**

Date Issued	Date Due	Banking Sector		Total	Non - Banking Sector			Total	Amount Outstanding
		Deposit Money Banks	Other Banking Institutions		Non-bank Financial Institutions	Other Public Enterprises	Private Sector		
		I	II	I + II = III	A	B	C	A+B+C+III	
<b>2007</b>									
Jan	04/07	40.0	0.0	40.0	10.0	0.0	0.0	50.0	4,250.0
Jan*	07/07	50.0	0.0	50.0	0.0	0.0	0.0	50.0	4,250.0
Jan**	01/07	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4,210.0
Feb	05/07	98.8	0.0	98.8	1.2	0.0	0.0	100.0	4,210.0
Feb*	08/07	117.0	0.0	117.0	3.0	0.0	0.0	120.0	4,130.0
Feb**	02/08	90.0	0.0	90.0	10.0	0.0	0.0	100.0	4,130.0
Mar	06/07	122.7	0.0	122.7	25.5	0.0	1.8	150.0	4,130.0
Mar*	08/07	170.0	0.0	170.0	28.4	0.0	1.6	200.0	4,080.0
Mar*	09/07	99.5	0.0	99.5	0.5	0.0	0.0	100.0	4,080.0
Mar**	03/08	100.0	0.0	100.0	0.0	0.0	0.0	100.0	3,980.0
Mar**	03/07	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3,950.0
Apr	07/07	45.0	0.0	45.0	5.0	0.0	0.0	50.0	3,950.0
Apr**	04/08	100.0	0.0	100.0	0.0	0.0	0.0	100.0	3,950.0
Apr**	04/07	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3,850.0
May	08/07	87.8	0.0	87.8	12.2	0.0	0.0	100.0	3,850.0
May*	11/07	94.0	0.0	94.0	56.0	0.0	0.0	150.0	3,849.9
May**	05/08	150.0	0.0	150.0	0.0	0.0	0.0	150.0	3,849.9
May**	05/08	100.0	0.0	100.0	0.0	0.0	0.0	100.0	3,699.9
Jun	09/07	132.7	0.0	132.7	15.5	0.0	1.8	149.9	3,699.9
Jun*	12/07	200.0	0.0	200.0	0.0	0.0	0.0	200.0	3,699.9
Jun**	05/08	130.0	0.0	130.0	0.0	0.0	0.0	130.0	3,699.9
Jun**	06/08	195.3	0.0	195.3	1.5	3.2	0.0	200.0	3,699.9
Jul	10/07	35.0	0.0	35.0	15.0	0.0	0.0	50.0	3,699.9
Jul*	01/08	30.0	0.0	30.0	20.0	0.0	0.0	50.0	3,699.9
Jul**	07/08	83.0	0.0	83.0	17.0	0.0	0.0	100.0	3,599.9
Aug	11/07	80.8	0.0	80.8	18.7	0.0	0.5	100.0	3,599.9
Aug*	02/08	110.0	0.0	110.0	9.0	0.0	1.0	120.0	3,599.9
Aug*	02/08	153.4	0.0	153.4	45.5	0.0	1.0	200.0	3,599.9
Aug**	08/08	30.2	0.0	30.2	19.8	0.0	0.0	50.0	3,499.9
Sep	12/07	113.7	0.0	113.7	34.0	0.0	2.3	149.9	3,499.9
Sep*	03/08	91.0	0.0	91.0	9.0	0.0	0.0	100.0	3,499.9
Sep**	09/08	123.3	0.0	123.3	26.7	0.0	0.0	150.0	3,299.9
Sep**	09/08	49.0	0.0	49.0	51.0	0.0	0.0	100.0	3,249.9
Oct	01/08	36.8	0.0	36.8	13.2	0.0	0.0	50.0	3,249.9
Oct**	10/08	45.4	0.0	45.4	4.6	0.0	0.0	50.0	3,249.9
Nov	02/08	100.0	0.0	100.0	0.0	0.0	0.0	100.0	3,249.9
Nov*	05/08	130.0	0.0	130.0	19.7	0.0	0.3	150.0	3,250.0
Nov**	11/08	228.0	0.0	228.0	22.0	0.0	0.0	250.0	3,200.0
Nov**		0.0	0.0	0.0	0.0	0.0	0.0	0.0	3,100.0

91 days

\*182 days

\*\*365 days

**Table III. 2 (a) Internal registered stock auction**  
**N\$ million**

	Offer	Tendered	Surplus (+) Deficit (-)	Weighted YTM %
<b>GC12 (10.50%)</b>				
<b>2006</b>				
February	40.0	108.2	68.2	8.7
March	40.0	138.0	98.0	8.5
May	40.0	85.0	45.0	8.5
June	40.0	46.5	6.5	9.4
July	40.0	65.2	25.2	9.8
August	40.0	82.0	42.0	9.8
September	80.0	40.5	-39.5	9.7
October	40.0	130.9	90.9	9.8
November	40.0	87.9	47.9	9.2
December	40.0	138.5	98.5	9.3
<b>2007</b>				
January	40.0	160.0	120.0	9.3
February	40.0	138.4	98.4	8.9
March	40.0	162.4	122.4	8.0
April	0.0	0.0	0.0	0.0
May	0.0	0.0	0.0	0.0
June	0.0	0.0	0.0	0.0
July	0.0	0.0	0.0	0.0
<b>GC15 (13.00%)</b>				
<b>2006</b>				
January	40.0	74.9	34.9	9.1
April	40.0	226.0	186.0	8.8
May	40.0	100.0	60.0	8.8
June	40.0	91.5	51.5	9.4
July	40.0	55.0	15.0	9.9
September	80.0	64.3	-15.7	8.8
<b>GC24 (10.50%)</b>				
<b>2006</b>				
January	40.0	65.00	25.0	9.1
February	40.0	107.5	67.5	9.1
April	40.0	83.3	43.3	9.1
June	40.0	65.0	25.0	9.7
July	40.0	85.5	45.5	10.2
August	40.0	71.7	31.7	10.2
September	80.0	66.0	-14.0	10.4
October	40.0	53.5	13.5	0.0
November	40.0	98.5	58.5	9.5
December	40.0	98.5	58.5	9.3
<b>2007</b>				
January	40.0	42.5	2.5	9.3
February	40.0	75.0	35.0	9.1
March	40.0	129.0	89.0	8.9
April	0.0	0.0	0.0	0.0
May	0.0	0.0	0.0	0.0
June	0.0	0.0	0.0	0.0
July	0.0	0.0	0.0	0.0

**TABLE III. 2 (b) Allotment of Government of Namibia internal registered stock**  
**N\$ million**

Date Issued	Date Due	Coupon Rate [%]	Banking Sector			Non-Banking Sector				TOTAL III+D	Amount Outstanding
			Deposit Money Banks I	Other Banking Institutions II	Total Banking Sector I+II=III	Non-bank Financial Institutions A	Other Public Enterprises B	Private Sector C	Total Non-Banking A+B+C=D		
<b>2001</b>			<b>5146.1</b>	<b>1000.0</b>	<b>5669.1</b>	<b>1274.0</b>	<b>1200.0</b>	<b>2230.0</b>		<b>5313.5</b>	<b>2695.1</b>
<b>2002</b>			<b>8125.7</b>	<b>3000.0</b>	<b>8155.7</b>	<b>1233.0</b>	<b>9079.7</b>	<b>3250.0</b>		<b>1001.3</b>	<b>3017.5</b>
<b>2003</b>			<b>448.3</b>	<b>0.0</b>	<b>466.3</b>	<b>6.1</b>	<b>52.7</b>	<b>3.2</b>		<b>505.5</b>	<b>3527.3</b>
<b>2004</b>			<b>1153.3</b>	<b>89.3</b>	<b>1242.6</b>	<b>29.1</b>	<b>30.0</b>	<b>5.6</b>		<b>1307.3</b>	<b>4831.2</b>
<b>2005</b>			<b>1,264.1</b>	<b>145.7</b>	<b>1,409.8</b>	<b>94.2</b>	<b>0.0</b>	<b>12.0</b>		<b>1,516.0</b>	<b>5,727.0</b>
<b>2006</b>											
Jan	04/15	13.00	37.0	2.3	39.3	0.0	0.0	0.7	0.7	40.0	5767.1
Jan	10/24	10.50	0.0	0.0	0.0	40.0	0.0	0.0	40.0	40.0	5807.1
Feb	10/12	10.50	26.3	13.7	40.0	0.0	0.0	0.0	0.0	40.0	5847.1
Feb	10/24	10.50	32.0	7.3	39.3	0.7	0.0	0.0	0.7	40.0	5887.1
Mar	10/12	10.50	26.3	13.7	40.0	0.0	0.0	0.0	0.0	40.0	5927.1
Apr	04/15	13.00	40.0	0.0	40.0	0.0	0.0	0.0	0.0	40.0	5967.1
Apr	10/24	10.50	40.0	0.0	40.0	0.0	0.0	0.0	0.0	40.0	6007.1
May	10/12	10.50	40.0	0.0	40.0	0.0	0.0	0.0	0.0	40.0	6047.1
May	04/15	13.00	40.0	0.0	40.0	0.0	0.0	0.0	0.0	40.0	6087.1
June	10/12	10.50	40.0	0.0	40.0	0.0	0.0	0.0	0.0	40.0	6127.0
June	04/15	13.00	16.5	23.5	40.0	0.0	0.0	0.0	0.0	40.0	6167.0
June	10/24	10.50	32.0	0.0	32.0	0.0	0.0	8.0	8.0	40.0	6207.0
July	10/12	10.50	39.8	0.0	39.8	0.3	0.0	0.0	0.3	40.0	6247.1
July	04/15	13.00	40.0	0.0	40.0	0.0	0.0	0.0	0.0	40.0	6287.1
July	10/24	10.50	37.0	0.0	37.0	3.0	0.0	0.0	3.0	40.0	6327.1
Aug	10/12	10.50	38.4	0.0	38.4	1.6	0.0	0.0	1.6	40.0	6367.1
Aug	10/24	10.50	40.0	0.0	40.0	0.0	0.0	0.0	0.0	40.0	6407.1
Sep	10/12	10.50	31.5	0.0	31.5	3.0	0.0	0.0	3.0	34.5	6441.5
Sep	04/15	13.00	31.5	0.0	31.5	6.0	0.0	0.0	6.0	37.5	6478.8
Sep	10/24	10.50	59.0	0.0	59.0	0.0	0.0	0.0	0.0	59.0	6537.8
Oct	10/12	10.50	0.0	17.0	17.0	23.0	0.0	0.0	23.0	40.0	6577.8
Nov	10/12	10.50	27.1	0.0	27.1	12.8	0.0	0.0	12.8	40.0	6617.8
Nov	10/24	10.50	33.7	0.0	33.7	6.3	0.0	0.0	6.3	40.0	6657.8
Dec	10/12	10.50	40.0	0.0	40.0	0.0	0.0	0.0	0.0	40.0	6697.8
Dec	10/24	10.50	40.0	0.0	40.0	0.0	0.0	0.0	0.0	40.0	6737.8
<b>2007</b>											
Jan	10/24	10.50	35.0	0.0	35.0	5.0	0.0	0.0	0.0	40.0	6777.8
Jan	10/12	10.50	0.0	29.6	29.6	10.4	0.0	0.0	0.0	40.0	6817.8
Feb	10/12	10.50	10.0	0.0	10.0	30.0	0.0	0.0	30.0	40.0	6857.8
Feb	10/24	10.50	0.0	0.0	0.0	40.0	0.0	0.0	40.0	40.0	6897.8
Mar	10/12	10.50	5.3	0.0	5.3	33.3	0.0	1.4	34.7	40.0	6937.8
Mar	10/24	10.50	13.0	0.0	13.0	27.0	0.0	0.0	27.0	40.0	6977.8
Apr	N/A	N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6977.8
May	N/A	N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6977.8
Jun	N/A	N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6977.8
Jul**	N/A	N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5781.9
Aug	N/A	N/A	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5781.9
Sep	N/A	N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5781.9
Oct	N/A	N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5781.9
Nov	N/A	N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5781.9

\* Switch of GCO5 into GC07, GC10 & GC15

\*\*Redemption of GC07

N/A implies not applicable since no auctions took place during this time period

**Table III.3 Central Government revenue and expenditure**  
**N\$ million**

Revenue	Actual						Estimates	
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
<b>GDP</b>							43,934.0	48,703.9
Taxes on income and profits	2,610.0	3,285.6	4,442.3	3,618.5	4,024.2	4,575.7	4,689.0	4,872.0
Taxes on property	63.0	64.1	79.3	75.2	85.9	110.1	122.0	140.0
Domestic taxes on goods and services	1,945.0	2,107.4	2,135.7	1,950.8	2,057.3	3,272.4	3,186.1	3,296.0
Taxes on international trade	2,877.0	2,641.2	2,596.9	3,035.6	4,206.8	3,891.9	6,471.4	4,538.0
Other taxes	55.0	67.6	75.6	82.8	94.1	113.4	123.0	136.0
<b>Total tax revenue</b>	<b>7,550.0</b>	<b>8,165.9</b>	<b>9,329.8</b>	<b>8,762.9</b>	<b>10,468.2</b>	<b>11,963.5</b>	<b>14,591.5</b>	<b>12,982.0</b>
Entrepreneurial and property income	461.9	463.4	703.2	488.8	490.0	542.9	1048.9	531.4
Fines and forfeitures	21.4	18.2	19.6	18.9	17.0	17.6	23.5	23.5
Administration fees and charges	231.8	254.0	382.3	449.3	342.1	512.4	407.1	364.1
Return on capital from lending and equity	20.9	21.4	15.9	13.5	36.8	32.4	66	34
<b>Total non-tax revenue</b>	<b>736.0</b>	<b>757.1</b>	<b>1,121.1</b>	<b>970.5</b>	<b>885.8</b>	<b>1,105.3</b>	<b>1545.5</b>	<b>953.0</b>
<b>Total revenue (own sources)</b>	<b>8,286.0</b>	<b>8,923.0</b>	<b>10,450.9</b>	<b>9,733.4</b>	<b>11,354.0</b>	<b>13,068.8</b>	<b>16,137.0</b>	<b>13,935.0</b>
<b>Grants</b>		<b>58.1</b>	<b>34.4</b>	<b>34.2</b>	<b>70.4</b>	<b>39.0</b>	<b>72.0</b>	<b>48.0</b>
<b>Loans earmarked for on-lending</b>	<b>56.9</b>	<b>116.8</b>	<b>76.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total revenue and grants</b>	<b>8,342.9</b>	<b>9,097.9</b>	<b>10,562.1</b>	<b>9,767.6</b>	<b>11,424.5</b>	<b>13,107.8</b>	<b>16,209.0</b>	<b>13,983.0</b>
<b>Expenditure</b>								
<b>Current Expenditure</b>								
Personnel expenditure	3,964.9	4,325.5	4,708.9	5,117.0	5,527.1	5,888.3	6,139.4	6,183.2
Expenditure on goods and other services	1,637.3	1,977.3	1,993.6	2,079.4	1,921.9	1,922.4	2,198.5	2,208.0
Statutory	512.0	602.7	907.6	996.0	1,040.2	1,186.3	1,478.1	1,477.7
Subsidies and other current transfers	1,510.5	1,769.2	1,892.8	2,255.9	2,296.9	2,544.7	2,722.8	2,718.2
<b>Total current expenditure</b>	<b>7,624.7</b>	<b>8,674.7</b>	<b>9,503.0</b>	<b>10,448.3</b>	<b>10,786.1</b>	<b>11,541.7</b>	<b>12,538.8</b>	<b>12,587.1</b>
<b>Capital Expenditure</b>								
Capital expenditure	929.0	1,267.0	1,158.7	1,293.4	1,401.1	1,337.4	1,848.2	1,462.5
Capital transfers	32.6	25.0	87.2	103.6	217.4	106.0	248.4	247.1
Total lending and equity participation	122.0	335.7	649.7	400.0	365.9	207.5	652.4	433.9
<b>Total capital expenditure</b>	<b>1,083.6</b>	<b>1,627.7</b>	<b>1,895.7</b>	<b>1,797.0</b>	<b>1,984.5</b>	<b>1,650.9</b>	<b>2,749.0</b>	<b>2,143.5</b>
<b>Total expenditure</b>	<b>8,708.3</b>	<b>10,302.4</b>	<b>11,398.7</b>	<b>12,243.4</b>	<b>12,770.5</b>	<b>13,192.6</b>	<b>15,287.8</b>	<b>14,730.6</b>
<b>Overall deficit (-)/surplus(+)</b>	<b>-365.4</b>	<b>-1,204.5</b>	<b>-836.6</b>	<b>-2,475.8</b>	<b>-1346.0</b>	<b>-84.8</b>	<b>921.2</b>	<b>-747.6</b>
<b>Total financing</b>								
Net borrowing	280.0	1,206.5	699.3	1,788.3	2,441.5	36.2	1024.2	779.5
Decrease (+)/increase (-) in cash balances	85.0	-2.0	137.3	689.3	-1095.5	48.7	-1945.5	-32
<b>Total financing</b>	<b>365.1</b>	<b>1,204.5</b>	<b>836.6</b>	<b>2,477.6</b>	<b>1346.0</b>	<b>84.9</b>	<b>-921.3</b>	<b>747.5</b>



**Table IV. A Balance of payments aggregates**  
**N\$ million**

	2005(p)			2006(p)				2007(p)			
	Q3	Q4	2005	Q1	Q2	Q3	Q4	2006	Q1	Q2	Q3
<b>Merchandise trade balance</b>	<b>-711</b>	<b>-861</b>	<b>-1,688</b>	<b>261</b>	<b>477</b>	<b>-266</b>	<b>170</b>	<b>642</b>	<b>-374</b>	<b>444</b>	<b>1,080</b>
Exports fob	3,046	3,735	13,149	3,900	4,315	4,696	5,037	17,949	4,834	5,575	6,122
Imports fob (p)	-3,757	-4,596	-14,837	-3,639	-3,839	-4,962	-4,867	-17,307	-5,208	-5,132	-5,042
<b>Services (net)</b>	<b>30</b>	<b>94</b>	<b>277</b>	<b>144</b>	<b>97</b>	<b>173</b>	<b>244</b>	<b>659</b>	<b>265</b>	<b>250</b>	<b>39</b>
Credit	553	641	2,615	735	772	1,009	1,067	3,583	1,173	1,010	921
Debit	-522	-547	-2,338	-590	-675	-835	-823	-2,924	-908	-760	-882
<b>Compensation of employees (net)</b>	<b>-7</b>	<b>-10</b>	<b>-23</b>	<b>-6</b>	<b>-7</b>	<b>-19</b>	<b>-9</b>	<b>-40</b>	<b>-12</b>	<b>6</b>	<b>-7</b>
Credit	16	17	67	17	17	17	17	67	17	17	17
Debit	-23	-27	-90	-23	-23	-36	-25	-107	-28	-11	-23
<b>Investment income (net)</b>	<b>-59</b>	<b>-380</b>	<b>-633</b>	<b>105</b>	<b>-77</b>	<b>-548</b>	<b>317</b>	<b>-202</b>	<b>120</b>	<b>-14</b>	<b>-474</b>
Credit	463	231	1,495	504	566	415	349	1,834	439	855	911
Debit	-522	-611	-2,128	-399	-643	-963	-33	-2,036	-319	-865	-1,386
<b>Current transfers in cash and kind (net)</b>	<b>1,088</b>	<b>1,068</b>	<b>4,262</b>	<b>1,202</b>	<b>1,722</b>	<b>1,757</b>	<b>1,750</b>	<b>6,431</b>	<b>1,846</b>	<b>1,996</b>	<b>1,595</b>
Credit	1,160	1,160	4,548	1,276	1,799	1,832	1,826	6,733	1,942	2,094	1,688
Debit	-73	-93	-286	-75	-77	-75	-76	-303	-96	-99	-94
<b>Current account balance</b>	<b>341</b>	<b>-90</b>	<b>2,194</b>	<b>1,707</b>	<b>2,213</b>	<b>1,098</b>	<b>2,471</b>	<b>7,489</b>	<b>1,769</b>	<b>2,550</b>	<b>2,220</b>
<b>Net capital transfers</b>	<b>124</b>	<b>125</b>	<b>505</b>	<b>114</b>	<b>87</b>	<b>166</b>	<b>206</b>	<b>573</b>	<b>143</b>	<b>151</b>	<b>134</b>
Credit	125	126	509	115	88	167	206	576	144	151	135
Debit	-1	-1	-3	-1	-1	-1	-1	-3	-1	-1	-1
<b>Direct investment</b>	<b>624</b>	<b>666</b>	<b>2,293</b>	<b>596</b>	<b>586</b>	<b>789</b>	<b>324</b>	<b>2,295</b>	<b>3,049</b>	<b>955</b>	<b>508</b>
Abroad	-4	17	80	61	14	-10	14	79	-24	-7	1
In Namibia	628	650	2,213	536	571	799	310	2,216	3,072	962	508
<b>Portfolio investment</b>	<b>-1,643</b>	<b>-1,623</b>	<b>-6,640</b>	<b>-2,071</b>	<b>-2,320</b>	<b>-331</b>	<b>-2,808</b>	<b>-7,528</b>	<b>-2,812</b>	<b>-3,085</b>	<b>-1,612</b>
Assets	-1,654	-1,635	-6,686	-2,082	-2,331	-342	-2,821	-7,576	-2,824	-3,097	-1,623
Liabilities	12	12	46	12	12	12	14	48	12	12	12
<b>Other investment - long term</b>	<b>228</b>	<b>117</b>	<b>239</b>	<b>-100</b>	<b>441</b>	<b>425</b>	<b>547</b>	<b>1,313</b>	<b>289</b>	<b>-948</b>	<b>-479</b>
Assets	-33	-7	-210	-10	-3	-34	114	68	36	-23	6
Liabilities	261	124	448	-90	443	460	433	1,246	253	-924	-485
<b>Other investment - short term</b>	<b>-164</b>	<b>614</b>	<b>489</b>	<b>-365</b>	<b>-842</b>	<b>-2,041</b>	<b>-825</b>	<b>-4,073</b>	<b>61</b>	<b>564</b>	<b>-891</b>
Assets	-99	493	499	-535	-100	-865	-1,020	-2,520	149	418	-975
Liabilities	-65	121	-9	170	-743	-1,175	195	-1,553	-88	147	85
<b>Capital and financial account excluding reserves</b>	<b>-830</b>	<b>-101</b>	<b>-3,114</b>	<b>-1,824</b>	<b>-2,049</b>	<b>-990</b>	<b>-2,557</b>	<b>-7,420</b>	<b>732</b>	<b>-2,366</b>	<b>-2,339</b>
<b>Net errors and omissions</b>	<b>362</b>	<b>435</b>	<b>933</b>	<b>510</b>	<b>77</b>	<b>277</b>	<b>148</b>	<b>1,012</b>	<b>303</b>	<b>-183</b>	<b>119</b>
<b>OVERALL BALANCE</b>	<b>-127</b>	<b>244</b>	<b>14</b>	<b>392</b>	<b>240</b>	<b>384</b>	<b>62</b>	<b>1,078</b>	<b>2,800</b>	<b>242</b>	<b>302</b>
<b>Reserve assets</b>	<b>127</b>	<b>-244</b>	<b>-14</b>	<b>-392</b>	<b>-240</b>	<b>-384</b>	<b>-62</b>	<b>-1,078</b>	<b>-2,800</b>	<b>-242</b>	<b>-302</b>

(a) Debit (negative) entries are used to record imports of goods and services, investment income payable, the counterpart to transfers received from non-residents and a deficit.  
Credit (positive) entries record exports of goods and services, income receivable, the counterpart to transfers made to non-residents, and a surplus.

(p) Provisional

**Table IV.B Supplementary table: balance of payments - services**  
**N\$ million**

	2005(p)			2006(p)				2007(p)			
	Q3	Q4	2005	Q1	Q2	Q3	Q4	2006	Q1	Q2	Q3
<b>Services, net</b>	<b>30</b>	<b>93</b>	<b>277</b>	<b>144</b>	<b>97</b>	<b>173</b>	<b>244</b>	<b>659</b>	<b>188</b>	<b>119</b>	<b>27</b>
<b>Credit</b>	<b>553</b>	<b>641</b>	<b>2,615</b>	<b>735</b>	<b>772</b>	<b>1,009</b>	<b>1,067</b>	<b>3,582</b>	<b>1,173</b>	<b>1,010</b>	<b>921</b>
Transportation	31	43	143	139	157	201	194	691	194	187	194
Travel	454	534	2,211	529	546	733	794	2,601	900	743	645
Insurance	0	0	0	0	0	5	7	12	7	15	8
Communication	26	26	106	27	26	26	26	105	26	26	26
Construction	0	0	0	0	0	0	0	0	0	0	0
Financial	0	0	0	0	0	0	0	0	0	0	0
Computer and information	0	0	0	1	3	1	3	8	3	0	4
Royalties and license Fees	0	0	0	0	0	0	0	0	0	0	0
Administrative and business	0	1	3	1	0	0	0	2	0	0	1
Professional and technical	0	0	0	0	0	3	1	4	1	0	7
Others, not included elsewhere	8	3	12	5	5	5	7	22	7	4	2
Government	33	34	138	34	34	34	34	136	34	34	34
<b>Debit</b>	<b>-522</b>	<b>-547</b>	<b>-2,338</b>	<b>-590</b>	<b>-675</b>	<b>-835</b>	<b>-823</b>	<b>-2,924</b>	<b>-984</b>	<b>-891</b>	<b>-895</b>
Transportation	-187	-203	-829	-232	-202	-281	-304	-1,019	-425	-422	-446
Travel	-146	-168	-686	-168	-174	-224	-240	-806	-269	-227	-201
Insurance	-23	-3	-60	-27	-28	-36	-37	-128	-39	-54	-44
Communication	-0	-0	-2	-0	-0	-0	-0	-2	-0	-0	-0
Construction	-3	-20	-25	-19	-18	-68	-67	-172	-38	-12	-6
Financial	-3	-5	-60	-3	-10	-10	-6	-30	-6	-12	-12
Computer and information	-21	-27	-83	-21	-54	-39	-28	-142	-32	-26	-33
Royalties and license Fees	-3	-2	-11	-3	-4	-9	-5	-21	-7	-4	-1
Administrative and business	-56	-36	-172	-38	-52	-46	-52	-189	-52	-88	-54
Professional and technical	-44	-51	-292	-47	-108	-90	-60	-305	-86	-17	-48
Others, not included elsewhere	-22	-17	-60	-16	-9	-17	-8	-51	-14	-13	-34
Government	-15	-15	-59	-15	-15	-15	-15	-59	-15	-15	-15

(p) Provisional

**Table IV.C Supplementary table: balance of payments - investment income**  
**N\$ million**

	2005(p)			2006(p)					2007(p)		
	Q3	Q4	2005	Q1	Q2	Q3	Q4	2006	Q1	Q2	Q3
<b>Compensation of employees, net</b>	<b>-7</b>	<b>-10</b>	<b>-23</b>	<b>-6</b>	<b>-7</b>	<b>-19</b>	<b>-9</b>	<b>-40</b>	<b>-12</b>	<b>6</b>	<b>-7</b>
Credit	16	17	67	17	17	17	17	67	17	17	17
Debit	-23	-27	-90	-22	-23	-36	-25	-106	-28	-11	-23
<b>Investment income, net</b>	<b>-59</b>	<b>-380</b>	<b>-633</b>	<b>105</b>	<b>-77</b>	<b>-548</b>	<b>317</b>	<b>-202</b>	<b>120</b>	<b>-14</b>	<b>-474</b>
<b>Credits</b>	<b>463</b>	<b>231</b>	<b>1,495</b>	<b>504</b>	<b>566</b>	<b>415</b>	<b>349</b>	<b>1,834</b>	<b>439</b>	<b>851</b>	<b>911</b>
Direct investment	14	13	49	-8	2	5	8	6	2	7	7
Portfolio investment	335	136	1,033	426	446	290	216	1,379	255	497	396
Other investment	114	82	413	86	118	120	126	450	182	348	508
<b>Debit</b>	<b>-522</b>	<b>-611</b>	<b>-2,128</b>	<b>-398</b>	<b>-643</b>	<b>-963</b>	<b>-32</b>	<b>-2,036</b>	<b>-319</b>	<b>-864</b>	<b>-1,386</b>
Direct investment	-447	-534	-1,791	-327	-565	-884	51	-1,726	-226	-774	-1299
Portfolio investment	-42	-42	-161	-41	-42	-42	-42	-168	-43	-42	-42
Other investment	-33	-35	-176	-30	-36	-36	-41	-143	-50	-48	-44

(p) Provisional

**Table IV.D Supplementary table : balance of payments - transfers**  
**N\$ million**

	2006(p)			2006(p)					2007(p)		
	Q3	Q4	2005	Q1	Q2	Q3	Q4	2006	Q1	Q2	Q3
<b>Current transfers, net</b>	<b>1,088</b>	<b>1,068</b>	<b>4,262</b>	<b>1,202</b>	<b>1,722</b>	<b>1,757</b>	<b>1,750</b>	<b>6,431</b>	<b>1,846</b>	<b>1,996</b>	<b>1,594</b>
<b>Credits</b>	<b>1,160</b>	<b>1,160</b>	<b>4,548</b>	<b>1,276</b>	<b>1,799</b>	<b>1,832</b>	<b>1,826</b>	<b>6,733</b>	<b>1,942</b>	<b>2,094</b>	<b>1,688</b>
Government	1,121	1,120	4,384	1,235	1,759	1,773	1,781	6,549	1,897	2,059	1,655
Grants from foreign governments, etc	79	80	321	80	79	80	80	319	80	56	59
SACU receipts	1,028	1,028	3,915	1,028	1,674	1,674	1,674	6,049	1,674	1,991	1,543
Withholding Taxes	14	12	53	13	6	20	28	67	26	12	52
Other transfers received	0	0	96	114	0	0	0	114	118	0	0
Private	39	41	163	41	40	59	45	185	45	35	34
Grants received by NGO's	10	10	40	10	10	29	14	63	14	5	3
Other transfers received	29	31	123	31	30	30	30	121	30	30	30
<b>Debit</b>	<b>-73</b>	<b>-93</b>	<b>-286</b>	<b>-75</b>	<b>-77</b>	<b>-75</b>	<b>-76</b>	<b>-303</b>	<b>-96</b>	<b>-99</b>	<b>-94</b>
Government	-65	-85	-255	-67	-70	-68	-70	-275	-89	-92	-87
Grants to foreign governments, etc	-1	-1	-5	-2	-2	-2	-4	-11	-5	-5	-4
SACU receipts	-64	-84	-250	-65	-68	-66	-65	-264	-84	-87	-83
Withholding Taxes	0	0	0	0	0	0	0	0	0	0	0
Other transfers	0	0	0	0	0	0	0	0	0	0	0
Private	-8	-8	-31	-8	-7	-7	-7	-28	-7	-7	-7
Grants received by NGO's	0	0	0	0	0	0	0	0	0	0	0
Other transfers received	-8	-8	-31	-8	-7	-7	-7	-28	-7	-7	-7
<b>Capital Transfers, net</b>	<b>124</b>	<b>125</b>	<b>505</b>	<b>114</b>	<b>87</b>	<b>166</b>	<b>205</b>	<b>573</b>	<b>143</b>	<b>150</b>	<b>134</b>
<b>Credit</b>	<b>125</b>	<b>126</b>	<b>509</b>	<b>115</b>	<b>88</b>	<b>167</b>	<b>206</b>	<b>576</b>	<b>144</b>	<b>151</b>	<b>135</b>
Government	119	120	483	109	81	161	200	550	138	145	129
Private	6	6	26	7	6	6	6	26	6	6	6
<b>Debit</b>	<b>-1</b>	<b>-1</b>	<b>-3</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-3</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>
Government	0	0	0	0	0	0	0	0	0	0	0
Private	-1	-1	-3	-1	-1	-1	-1	-3	-1	-1	-1

(p) Provisional

**Table IV.E Supplementary table: balance of payments - direct investment**  
N\$ million

	2005(p)			2006(p)					2007(p)		
	Q3	Q4	2005	Q1	Q2	Q3	Q4	2006	Q1	Q2	Q3
<b>Direct investment abroad</b>	<b>-4</b>	<b>17</b>	<b>80</b>	<b>61</b>	<b>14</b>	<b>-10</b>	<b>13</b>	<b>79</b>	<b>-24</b>	<b>-7</b>	<b>1</b>
Equity capital	0	3	10	8	8	4	16	37	-22	0	0
Reinvested earnings	-2	-8	-13	13	2	-4	-4	7	1	-4	-4
Other capital	-2	22	84	40	4	-10	1	36	-3	-4	4
<b>Direct investment in Namibia</b>	<b>628</b>	<b>649</b>	<b>2,213</b>	<b>536</b>	<b>571</b>	<b>799</b>	<b>310</b>	<b>2,216</b>	<b>3,072</b>	<b>962</b>	<b>508</b>
Equity capital	325	179	1,175	358	57	134	1,997	2,546	2,995	160	311
Reinvested earnings	247	445	1,288	242	477	657	-357	1,019	-59	626	753
Other capital	55	26	-250	-65	37	8	-1,330	-1,349	136	175	-556

(p) Provisional

**Table IV.F Supplementary table: balance of payments - portfolio investment**  
N\$ million

	2005(p)			2006(p)					2007(p)		
	Q3	Q4	2005	Q1	Q2	Q3	Q4	2006	Q1	Q2	Q3
<b>Portfolio investment, net</b>	<b>-1,643</b>	<b>-1,623</b>	<b>-6,640</b>	<b>-2,070</b>	<b>-2,319</b>	<b>-331</b>	<b>-2,807</b>	<b>-7,528</b>	<b>-2,812</b>	<b>-3,085</b>	<b>-1,612</b>
<b>Equity</b>	<b>-1,167</b>	<b>-1,233</b>	<b>-4,765</b>	<b>-1,319</b>	<b>-1,696</b>	<b>-272</b>	<b>-1,945</b>	<b>-5,232</b>	<b>-2,048</b>	<b>-2,302</b>	<b>-1,195</b>
Assets	-1,175	-1,241	-4,797	-1,327	-1,704	-280	-1,953	-5,264	-2,056	-2,310	-1,203
Liabilities	8	8	32	8	8	8	8	32	8	8	8
<b>Debt</b>	<b>-476</b>	<b>-390</b>	<b>-1,875</b>	<b>-752</b>	<b>-623</b>	<b>-59</b>	<b>-862</b>	<b>-2,296</b>	<b>-764</b>	<b>-783</b>	<b>-416</b>
Assets	-479	-394	-1,889	-755	-627	-62	-868	-2,313	-768	-787	-420
Liabilities	4	4	14	4	4	4	6	16	4	4	4

(p) Provisional

Table IV.G Supplementary table: balance of payments - other investment  
N\$ million

	2005(p)					2006(p)					2007(p)		
	Q1	Q2	Q3	Q4	2005	Q1	Q2	Q3	Q4	2006	Q1	Q2	Q3
<b>Long-term, net</b>	<b>-92</b>	<b>-14</b>	<b>228</b>	<b>117</b>	<b>239</b>	<b>-100</b>	<b>441</b>	<b>425</b>	<b>547</b>	<b>1,313</b>	<b>289</b>	<b>-948</b>	<b>-479</b>
General Government	-19	28	-10	54	53	-14	81	-20	38	84	33	-5	-21
Assets	-10	-10	-10	-10	-40	-10	-10	-10	-10	-40	-10	-10	-10
Liabilities	-9	38	0	64	93	-4	91	-11	48	124	43	5	-11
Of which:drawings	4	65	45	85	199	9	111	9	73	202	73	36	15
repayments	-13	-27	-45	-22	-106	-13	-21	-20	-25	-79	-30	-32	-26
Monetary Authorities	0	0	0	0	0	0	0	0	0	0	0	0	0
Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Banks	-26	2	354	-7	322	18	322	104	351	796	1	1	-2
Assets	-43	-4	34	-8	-21	5	2	1	-2	7	2	2	-3
Liabilities	17	6	320	0	343	13	320	103	353	789	-1	-1	1
Other sectors	-48	-44	-115	71	-136	-104	38	341	158	433	255	-944	-456
Assets	-47	-56	-57	11	-149	-5	5	-26	127	101	44	-15	19
Liabilities	-1	12	-59	60	13	-100	33	367	32	332	211	-928	-475
<b>Short-term, net</b>	<b>-647</b>	<b>687</b>	<b>-164</b>	<b>614</b>	<b>489</b>	<b>-365</b>	<b>-842</b>	<b>-2,041</b>	<b>-825</b>	<b>-4,073</b>	<b>61</b>	<b>564</b>	<b>-890</b>
General Government	0	0	0	0	0	0	0	0	0	0	0	0	0
Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Banks	-696	687	-169	648	469	-315	-513	-2,103	-912	-3,843	69	605	-969
Assets	-12	73	-101	399	359	-539	-112	-825	-1,004	-2,479	130	592	-855
Liabilities	-684	614	-69	249	110	223	-401	-1,278	92	-1,364	-62	12	-114
Other sectors	49	-0	6	-34	20	-49	-329	62	87	-230	-8	-40	79
Assets	48	-4	1	94	140	4	12	-40	-16	-40	18	-175	-120
Liabilities	0	4	4	-129	-120	-53	-342	103	103	-189	-26	134	199

(p) Provisional

ECONOMIC DEVELOPMENTS

Table IV.H (a) International investment position - N\$ million

	2005(p)						2006(p)						2007(p)										
	Q3		Q4		Q1		Q2		Q3		Q4		Q1		Q2		Q3						
	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total					
<b>FOREIGN ASSETS</b>	25,169	6,292	31,461	23,872	5,968	29,840	28,633	7,158	35,791	8,124	40,622	33,341	8,335	41,676	36,760	9,190	45,950	43,713	10,928	54,641	41,027	10,257	51,283
Direct investment	85	21	106	130	32	162	158	40	198	636	796	867	41	51	96	24	121	59	15	74	53	13	66
1.1 Equity capital	64	16	80	109	27	137	90	22	112	623	779	681	8	38	71	18	89	51	13	64	53	13	66
1.2 Other capital	21	5	26	21	5	26	68	17	86	13	3	16	0	15	11	3	13	25	2	10	0	0	0
Long-term	21	5	26	7	2	9	7	2	9	13	16	12	3	13	25	6	32	8	2	10	0	0	0
Short-term	0	0	0	14	3	17	61	15	77	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Portfolio investment</b>	24,060	3,743	27,803	22,081	3,820	25,901	23,541	7,354	30,895	26,316	34,479	28,339	8,865	31,412	27,057	3,825	30,881	29,145	8,504	37,649	29,467	4,043	33,511
2.1 Equity Securities	17,459	2,777	20,236	15,764	3,067	18,831	17,555	5,492	23,047	19,851	25,722	21,190	6,497	23,177	20,497	3,045	23,542	21,015	3,117	24,132	20,339	3,222	23,561
2.2 Debt Securities	6,601	966	7,567	6,317	753	7,070	5,986	1,862	7,848	6,465	8,757	7,149	2,368	9,506	6,961	780	7,339	8,130	5,386	13,516	9,129	821	9,950
<b>Other investment</b>	1,548	387	1,935	1,532	383	1,916	1,956	489	2,445	2,283	2,853	2,782	696	3,478	7,367	1,842	9,209	8,751	2,188	10,938	9,622	2,405	12,027
3.1 Claims of resident non-bank companies	200	50	250	341	85	426	204	51	255	367	459	182	45	227	245	61	306	351	88	439	298	74	518
3.1.1 short-term loans and trade finance	177	44	222	288	72	360	152	38	191	223	279	103	26	129	113	38	192	261	65	326	207	52	442
3.1.2 long-term loans	22	6	28	53	13	66	52	13	65	144	180	78	20	98	64	23	114	90	22	112	91	23	76
3.2 Claims of resident banks	539	135	674	233	58	292	159	40	199	690	863	875	219	1,093	1,351	338	1,689	1,107	277	1,383	1,533	383	1,916
3.2.1 short-term loans	516	129	645	204	51	255	134	34	168	134	168	184	46	230	1,872	468	707	352	88	440	258	64	322
3.2.2 long-term loans	23	6	29	29	7	37	25	6	32	556	695	691	173	863	856	196	982	754	189	943	1,275	319	1,594
3.3 Claims of resident parastatal companies	5	1	6	7	2	9	11	3	14	15	4	18	6	30	26	7	35	28	7	35	29	7	36
3.3.1 short-term loans and trade finance	2	1	3	0	0	0	8	2	10	12	3	14	21	5	26	23	25	24	6	31	26	6	32
3.3.2 long-term loans	3	1	4	7	2	9	3	1	4	3	1	4	3	1	4	3	1	4	3	1	4	3	4
3.4 Claims of local government authorities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.4.1 short-term loans and trade finance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.4.2 long-term loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.5 Claims of central government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.5.1 long-term loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.6 Currency and deposits reported by Namibian banks	201	50	251	184	46	230	676	169	845	787	984	1,398	349	1,747	1,994	498	6,490	6,690	1,672	8,362	7,042	1,761	8,803
3.7 Other assets	603	151	754	767	192	958	905	226	1,131	423	529	305	76	381	894	224	690	576	144	720	603	151	754
3.7.1 Other-eg., re-insurance and bonds	603	151	754	767	192	958	905	226	1,131	423	529	305	76	381	894	224	690	576	144	720	603	151	754
<b>Reserve Assets</b>	1,294	323	1,617	1,489	372	1,861	1,803	451	2,253	1,995	2,494	2,302	575	2,877	2,351	588	5,739	4,784	1,196	5,980	4,543	1,136	5,679
4.1 Monetary gold	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.2 Special drawing rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.3 Reserve position in the IMF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Foreign exchange	1,294	323	1,617	1,489	372	1,861	1,802	451	2,253	1,995	2,494	2,302	575	2,877	2,351	588	5,739	4,784	1,196	5,980	4,543	1,136	5,679
4.5 Other assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

(p) Provisional, except for the reserve assets.

Table IV.H (b) International investment position - N\$ million

	2005(p)						2006(p)						2007(p)								
	Q3		Q4		Q1		Q2		Q3		Q4		Q1		Q2		Q3				
	South Africa	Others	South Africa	Others	South Africa	Others	South Africa	Others	South Africa	Others	South Africa	Others	South Africa	Others	South Africa	Others	South Africa	Others	Total		
<b>FOREIGN LIABILITIES</b>	16,868	4,217	21,085	20,867	22,326	27,908	20,898	26,112	21,239	10,104	31,343	21,747	8,826	30,591	25,087	8,398	33,484	21,018	7,532	28,564	
Direct investment	11,239	2,810	14,049	12,414	12,956	16,195	13,534	18,052	16,754	2,662	19,416	16,279	2,524	18,903	19,542	4,886	24,428	16,346	4,086	20,432	
1.1 Equity capital	10,264	2,566	12,830	11,436	11,956	14,945	11,779	16,182	14,501	2,099	16,600	13,988	1,951	15,939	14,563	3,641	18,204	11,141	2,785	13,926	
1.2 Other capital	975	244	1,219	979	1,000	1,250	1,755	1,870	2,253	563	2,817	2,291	573	2,864	4,979	1,245	6,224	5,205	1,301	6,506	
Long-term	453	113	566	348	348	434	718	748	1,133	184	919	748	187	935	3,952	988	4,940	1,233	308	1,541	
Short-term	522	130	652	631	658	789	1,021	1,122	1,120	280	1,401	965	241	1,206	1,027	257	1,284	3,972	993	4,965	
<b>Portfolio investment</b>	309	77	387	468	467	584	467	584	467	117	584	467	117	584	467	117	584	467	117	584	
2.1 Equity securities	31	8	39	79	78	98	78	98	78	20	98	78	20	98	78	20	98	78	20	98	
2.2 Debt securities (public/private)	278	70	348	389	389	486	389	486	389	97	486	389	97	486	389	97	486	389	97	486	
<b>Other investment</b>	5,320	1,330	6,649	7,985	8,904	11,129	6,897	7,476	8,621	5,981	7,325	11,343	5,001	11,204	5,077	3,395	8,472	4,205	3,328	7,474	
3.1 Liabilities of resident non-bank companies	251	63	314	308	302	377	400	417	384	96	480	339	85	424	427	107	533	514	129	643	
3.1.1 short-term loans	56	14	70	90	84	106	129	283	123	31	154	144	36	180	339	85	423	434	108	542	
3.1.2 long-term loans	196	49	245	218	217	272	272	133	261	65	326	195	49	244	88	22	110	80	20	101	
<b>3.2 Liabilities of resident banks</b>	1,160	290	1,450	584	1,256	314	1,570	569	1,419	280	1,399	794	199	993	1,529	382	1,912	1,104	276	1,380	
3.2.1 short-term loans	269	67	336	500	402	502	4	19	94	753	188	94	670	168	838	291	1,456	738	185	923	
3.2.2 long-term loans	891	223	1,114	84	854	214	1,068	566	426	366	92	458	124	31	155	365	91	456	366	91	457
<b>3.3 Liabilities of resident parastatal companies</b>	1,046	262	1,308	1,079	1,067	1,334	1,154	1,510	1,181	295	1,477	1,214	303	1,517	1,192	298	1,489	982	245	1,227	
3.3.1 short-term loans and trade finance	38	9	47	1,034	1,015	254	1,094	77	1,102	275	1,377	92	23	115	88	22	110	90	23	113	
3.3.2 long-term loans	1,009	252	1,261	45	52	13	65	1,434	80	20	100	1,122	280	1,402	1,104	276	1,380	891	223	1,114	
<b>3.4 Liabilities of local government authorities</b>	229	57	286	232	232	58	290	232	232	58	290	232	58	290	232	58	290	232	58	290	
3.4.1 short-term loans and trade finance	229	57	286	232	229	287	229	4	229	57	287	3	1	4	3	1	4	3	1	4	
3.4.2 long-term loans	0	0	0	0	3	1	4	286	3	1	4	229	57	286	229	57	286	229	57	286	
<b>3.5 Liabilities of central government</b>	1,561	390	1,951	1,600	1,475	369	1,843	2,676	1,86	2,340	2,526	524	2,168	2,710	554	2,215	2,769	592	2,366	2,958	
3.5.1 long-term loans	1,561	390	1,951	1,600	1,475	369	1,843	2,676	186	2,340	2,526	542	2,168	2,710	554	2,215	2,769	592	2,366	2,958	
<b>3.6 Currency and deposits reported by Namibian banks</b>	1,072	268	1,340	922	1,312	328	1,640	1,073	914	229	1,143	1,124	281	1,405	1,130	283	1,413	782	195	977	
<b>3.7 Liabilities of EPZ companies</b>	0	0	0	3,260	3,260	815	4,075	945	1,181	1	4,027	4,028	773	3,091	13	53	66	15	59	74	
3.7.1 short-term loans and trade finance	0	0	0	131	131	33	164	647	142	568	710	0	0	0	0	0	0	0	15	59	
3.7.2 long-term loans	0	0	0	3,129	3,129	782	3,911	297	372	865	3,459	4,324	773	3,091	3,864	13	53	66	0	0	
<b>3.8 Other liabilities</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3.8.1 short-term loans and trade finance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3.8.2 long-term loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Net Foreign Assets (+)/Liabilities(-)</b>	8,301	2,075	10,376	3,005	6,306	1,577	7,883	11,599	2,900	14,499	15,048	3,762	18,810	8,266	10,333	12,287	15,359	16,926	4,231	21,157	
																				4,559	
																				22,719	

(p) Provisional.



**Table IV.I Foreign exchange rates  
Foreign currency per Namibia Dollar  
Period averages**

Period		US	UK	Germany	Japan	Switzerland	Spain	EU
		Dollar	Pound	Mark	Yen	Franc	Peseta	ECU
<b>2001</b>		<b>0.1177</b>	<b>0.0817</b>	<b>0.2546</b>	<b>14.2812</b>	<b>0.1989</b>	<b>21.8702</b>	<b>0.1313</b>
<b>2002</b>		<b>0.0956</b>	<b>0.0636</b>	<b>0.1247</b>	<b>12.4435</b>	<b>0.1487</b>	<b>4.4628</b>	<b>0.1011</b>
<b>2003</b>	Jan	0.1152	0.0713	0.1085	13.6799	0.1586	0.1085	0.1085
	Feb	0.1204	0.0748	0.1118	14.3678	0.1665	0.1118	0.1118
	Mar	0.1243	0.0785	0.1149	14.7275	0.1687	0.1149	0.1149
	Apr	0.1298	0.0825	0.1196	15.5521	0.2000	0.1196	0.1196
	May	0.1305	0.0804	0.1128	15.2905	0.1770	0.1128	0.1128
	Jun	0.1265	0.0762	0.1085	15.1515	0.1671	0.1085	0.1085
	Jul	0.1326	0.0816	0.1165	15.7233	0.1802	0.1165	0.1165
	Aug	0.1353	0.0848	0.1213	16.0772	0.1869	0.1213	0.1213
	Sep	0.1365	0.0849	0.1218	15.7233	0.1884	0.1218	0.1218
	Oct	0.1436	0.0857	0.1227	15.7233	0.1899	0.1227	0.1227
	Nov	0.1486	0.0880	0.1269	16.2338	0.1980	0.1269	0.1269
	Dec	0.1532	0.0878	0.1252	16.5563	0.1946	0.1252	0.1252
<b>2004</b>	Jan	0.1446	0.0794	0.1146	15.3846	0.1794	0.1146	0.1146
	Feb	0.1477	0.0791	0.1168	14.3885	0.1838	0.1168	0.1168
	Mar	0.1501	0.0825	0.1214	16.3666	0.1925	0.1214	0.1214
	Apr	0.1526	0.0846	0.1271	16.3934	0.1977	0.1271	0.1271
	May	0.1474	0.0825	0.1227	16.5017	0.1889	0.1227	0.1227
	Jun	0.1553	0.0850	0.1280	17.0068	0.1944	0.1280	0.1280
	Jul	0.1632	0.0886	0.1329	17.8253	0.2030	0.1329	0.1329
	Aug	0.1549	0.0851	0.1272	19.8020	0.1957	0.1272	0.1272
	Sep	0.1527	0.0852	0.1251	16.8067	0.1930	0.1251	0.1251
	Oct	0.1566	0.0866	0.1253	17.0358	0.1933	0.1253	0.1253
	Nov	0.1651	0.0889	0.1272	17.3010	0.1936	0.1272	0.1272
	Dec	0.1745	0.0862	0.1301	19.2308	0.1998	0.1301	0.1301
<b>2005</b>	Jan	0.1675	0.0892	0.1276	17.3010	0.1974	0.1276	0.1276
	Feb	0.1662	0.0881	0.1277	17.4216	0.1978	0.1277	0.1277
	Mar	0.1664	0.0872	0.1259	17.4825	0.1949	0.1259	0.1259
	Apr	0.1625	0.0858	0.1255	17.4520	0.1943	0.1255	0.1255
	May	0.1579	0.0851	0.1244	16.8350	0.1922	0.1244	0.1244
	Jun	0.1481	0.0814	0.1217	16.1031	0.1873	0.1217	0.1217
	Jul	0.1492	0.0852	0.1238	16.6945	0.1930	0.1238	0.1238
	Aug	0.1547	0.0862	0.1258	17.0940	0.1954	0.1258	0.1258
	Sep	0.1573	0.0870	0.1283	17.4520	0.1988	0.1283	0.1283
	Oct	0.1521	0.0862	0.1265	17.4520	0.1959	0.1265	0.1265
	Nov	0.1502	0.0865	0.1273	17.7936	0.1968	0.1273	0.1273
	Dec	0.1573	0.0900	0.1326	18.6567	0.2052	0.1326	0.1326
<b>2006</b>	Jan	0.1642	0.0930	0.1355	18.9394	0.2099	0.1355	0.1355
	Feb	0.1635	0.0935	0.1368	19.2678	0.2132	0.1368	0.1368
	Mar	0.1599	0.0917	0.1330	18.7617	0.2086	0.1330	0.1330
	Apr	0.1647	0.0933	0.1343	19.3050	0.2115	0.1343	0.1343
	May	0.1582	0.0847	0.1239	17.6678	0.1929	0.1239	0.1239
	Jun	0.1438	0.0779	0.1134	16.4745	0.1770	0.1134	0.1134
	Jul	0.1412	0.0765	0.1112	16.3132	0.1745	0.1112	0.1112
	Aug	0.1438	0.0760	0.1122	16.6667	0.1770	0.1122	0.1122
	Sep	0.1350	0.0716	0.1060	15.7978	0.1679	0.1060	0.1060
	Oct	0.1307	0.0697	0.1036	15.5039	0.1648	0.1036	0.1036
	Nov	0.1378	0.0721	0.1070	16.1551	0.1703	0.1070	0.1070
	Dec	0.1420	0.0723	0.1074	16.6389	0.1716	0.1074	0.1074
<b>2007</b>	Jan	0.1392	0.0710	0.1070	16.7504	0.1729	0.1070	0.1070
	Feb	0.1395	0.0712	0.1067	16.8067	0.1730	0.1067	0.1067
	Mar	0.1360	0.0699	0.1028	15.9490	0.1657	0.1028	0.1028
	Apr	0.1404	0.0706	0.1039	16.6667	0.1702	0.1039	0.1039
	May	0.1425	0.0718	0.1054	17.2117	0.1740	0.1054	0.1054
	June	0.1394	0.0702	0.1040	17.0940	0.1720	0.1040	0.1040
	July	0.1434	0.0705	0.1045	17.4216	0.1732	0.1045	0.1045
	Aug	0.1382	0.0688	0.1016	16.1290	0.1663	0.1016	0.1016
	Sep	0.1403	0.0696	0.1011	16.1290	0.1665	0.1011	0.1011
	Oct	0.1476	0.0723	0.1038	17.0940	0.1734	0.1038	0.1038

Table IV.J Effective exchange rate indices

	Nominal effective exchange rate indices			Real effective exchange rate indices		
	Import Trade Weighted	Export Trade Weighted	Total Trade Weighted	Import Trade Weighted	Export Trade Weighted	Total Trade Weighted
<b>2001</b>	99.1	91.1	95.3	102.2	96.8	99.7
<b>2002</b>	97.7	78.1	88.3	103.2	89.1	96.5
<b>2003</b>	99.1	90.3	95.3	119.2	107.4	102.4
<b>2004</b>						
Jan	99.1	89.1	95.2	132.2	107.0	97.9
Feb	99.1	88.8	95.1	132.3	106.6	97.6
Mar	99.4	91.6	96.4	133.2	110.4	99.1
Apr	99.6	93.2	97.1	132.6	111.8	99.6
May	99.4	91.8	96.4	132.4	110.1	99.0
Jun	99.6	93.7	97.3	132.3	112.2	99.7
Jul	99.9	96.2	98.5	136.5	117.3	101.9
Aug	99.7	94.5	97.8	137.6	115.7	101.6
Sep	99.6	93.5	97.3	137.5	114.4	100.9
Oct	99.6	94.3	97.7	138.1	115.6	101.4
Nov	99.8	95.7	98.4	139.7	117.8	102.2
Dec	100.0	95.2	98.2	140.4	117.5	102.4
<b>2005</b>						
Jan	99.8	95.9	98.5	106.2	102.4	93.1
Feb	99.8	95.4	98.2	106.1	101.9	93.0
Mar	99.8	94.8	98.0	103.6	100.1	91.8
Apr	99.7	94.1	97.6	103.6	99.2	91.3
May	99.6	93.4	97.3	102.3	97.9	90.7
Jun	99.4	91.1	96.1	102.5	95.6	89.8
Jul	99.5	93.3	97.2	103.1	98.4	90.7
Aug	99.6	94.1	97.6	104.1	99.7	91.3
Sep	99.7	94.9	97.9	106.3	101.4	92.8
Oct	99.6	94.3	97.7	105.0	100.4	91.6
Nov	99.6	94.6	97.8	105.9	101.1	91.9
Dec	99.9	97.1	99.0	107.0	104.1	93.9
<b>2006</b>						
Jan	100.1	98.9	99.8	107.5	106.6	94.0
Feb	100.1	99.4	100.1	107.4	107.1	94.2
Mar	100.0	98.1	99.4	107.6	105.6	93.6
Apr	100.1	99.1	100.0	107.3	106.5	94.0
May	99.6	93.4	97.3	106.4	100.1	91.3
Jun	99.1	88.1	94.7	105.9	94.5	88.7
Jul	99.1	87.6	94.5	106.0	94.3	88.3
Aug	99.1	87.6	94.5	107.6	94.8	88.6
Sep	98.7	84.4	92.9	108.5	91.7	87.3
Oct	98.6	83.0	92.2	109.1	90.5	86.9
Nov	99.3	85.1	93.5	111.2	93.1	88.5
Dec	98.9	85.2	93.3	109.9	93.0	88.3
<b>2007</b>						
Jan	99.1	87.3	94.5	111.5	96.4	89.4
Feb	98.8	84.4	92.9	111.3	93.1	88.1
Mar	98.6	83.0	92.2	111.2	91.6	87.3
Apr	98.8	84.6	93.1	109.1	92.5	87.2
May	98.9	85.0	93.3	108.4	92.5	87.0
June	98.8	84.3	92.9	107.8	91.5	86.4
July	98.9	84.2	92.9	112.3	93.9	87.3
Aug	98.7	82.6	92.1	113.1	92.5	86.7
Sep	98.7	83.0	92.3	113.5	93.2	86.8

## ECONOMIC DEVELOPMENTS

**Table IV.K Selected mineral monthly average prices**

		US\$ Per Metric Tonne			US\$ Per Ounce	US\$ Per Pound
		Copper	Lead	Zinc	Gold	Uranium
<b>2003</b>	Jan	1,650.3	444.8	782.3	356.8	10.1
	Feb	1,682.1	474.5	785.6	358.9	10.1
	Mar	1,655.6	454.7	790.3	340.5	10.1
	Apr	1,587.8	438.0	756.7	328.1	10.1
	May	1,651.1	462.3	776.1	355.6	10.8
	Jun	1,685.1	467.6	790.6	356.3	10.9
	Jul	1,712.8	513.3	828.5	350.9	10.9
	Aug	1,756.7	493.7	815.2	359.7	11.2
	Sep	1,789.6	520.9	818.9	378.9	11.4
	Oct	1,925.5	587.4	900.1	378.9	12.3
	Nov	2,053.2	622.6	914.2	389.9	13.1
	Dec	2,202.0	690.1	976.7	406.1	13.3
<b>2004</b>	Jan	2,421.4	753.5	1,015.8	413.7	14.8
	Feb	2,751.7	885.1	1,085.7	404.9	16.1
	Mar	3,000.2	878.1	1,101.7	406.6	17.1
	Apr	2,926.9	747.0	1,028.9	403.2	17.7
	May	2,728.4	804.1	1,030.9	383.7	17.7
	Jun	2,689.1	863.7	1,018.8	392.4	17.8
	Jul	2,816.8	931.3	988.1	398.1	17.8
	Aug	2,844.2	916.6	976.7	400.5	17.8
	Sep	2,903.1	932.1	980.0	405.2	18.6
	Oct	3,009.4	932.8	1,066.9	420.4	20.1
	Nov	3,130.3	966.3	1,100.2	439.3	20.1
	Dec	3,139.7	972.3	1,182.1	442.1	20.5
<b>2005</b>	Jan	3,168.1	954.2	1,245.5	424.0	20.5
	Feb	3,247.1	972.9	1,323.1	423.3	21.1
	Mar	3,378.9	1,001.6	1,373.9	434.3	21.8
	Apr	3,389.8	980.4	1,297.8	429.2	23.1
	May	3,241.9	985.2	1,245.5	421.8	28.2
	Jun	3,529.7	982.6	1,273.1	430.6	29.0
	Jul	3,608.4	857.5	1,196.8	424.4	29.2
	Aug	3,791.9	887.4	1,300.7	437.9	29.6
	Sep	3,850.6	932.7	1,396.6	456.0	30.4
	Oct	4,056.1	999.4	1,483.2	469.8	32.7
	Nov	4,278.1	1,017.8	1,610.6	476.6	33.5
	Dec	4,577.0	1,120.1	1,819.3	510.1	35.5
<b>2006</b>	Jan	4,743.8	1,258.1	2,091.7	549.8	36.7
	Feb	4,974.9	1,267.4	2,219.7	554.9	37.6
	Mar	5,123.6	1,193.8	2,427.6	557.1	39.7
	Apr	6,404.4	1,170.5	3,068.3	610.6	41.1
	May	8,059.1	1,167.5	3,544.6	675.3	42.2
	Jun	7,222.7	963.6	3,197.5	596.1	44.1
	Jul	7,726.7	1,053.2	3,320.7	633.7	46.5
	Aug	7,690.2	1,179.3	3,339.9	632.3	47.4
	Sep	7,622.6	1,346.5	3,394.1	598.1	52.4
	Oct	7,497.4	1,525.6	3,829.6	585.7	56.1
	Nov	7,029.2	1,626.0	4,378.6	627.8	61.4
	Dec	6,680.9	1,709.1	4,381.4	629.4	66.5
<b>2007</b>	Jan	5,689.3	1,664.3	3,784.8	631.1	72.0
	Feb	5,718.1	1,775.1	3,321.3	664.7	76.2
	Mar	6,465.2	1,908.9	3,256.1	654.8	89.4
	Apr	7,753.3	1,984.1	3,566.8	679.3	110.4
	May	7,677.8	2,106.0	3,847.5	666.9	119.1
	Jun	7,514.1	2,436.5	3,628.6	655.4	136.1
	Jul	7,980.9	3,072.4	3,546.2	665.2	131.5
	Aug	7,500.2	3,115.2	3,244.2	665.4	109.6
	Sep	7,671.3	3,228.0	2,887.6	712.6	85.0

Source: IMF and London Gold Price

Table IV.L Selected mineral export volumes

		Diamonds	Gold	Copper	Silver	Zinc
		Carat '000	Kg	Tons	Kg	Tons
2003	Q1	239	600	5,832	5,928	22,055
	Q2	416	697	5,827	7,780	24,195
	Q3	411	616	8,222	8,468	46,394
	Q4	305	586	3,410	5,292	51,460
2004	Q1	483	493	7,164	6,359	45,476
	Q2	357	531	5,905	5,655	69,244
	Q3	723	607	5,144	6,764	49,866
	Q4	413	563	3,053	8,334	47,928
2005	Q1	581	634	3,261	6,706	58,139
	Q2	352	550	5,431	4,867	66,969
	Q3	426	676	7,222	7,880	66,543
	Q4	469	724	3,269	8,555	58,415
2006	Q1	605	705	2,926	8,571	30,905
	Q2	619	522	3,954	4,696	19,599
	Q3	529	723	4,640	8,507	26,204
	Q4	650	674	8,020	11,217	20,346
2007	Q1	443	696	5,597	2,129	29,849
	Q2	775	322	4,419	1,094	24,672
	Q3	470	752	5,299	1,779	21,850

Source: IMF and London Gold Price

Table IV.M Selected livestock exports to South Africa

Period	Cattle/weaners				Small stock			
	N\$	Number	Tons	N\$/kg	N\$	Number	Tons	
<b>2006</b>	Jan	50,671,429	14,950	3,595	11.14	10,385,907	35,708	569
	Feb	46,001,526	14,397	3,228	11.76	13,984,300	47,236	752
	Mar	43,743,494	11,970	2,815	12.08	16,561,914	58,604	934
	Apr	47,535,864	12,958	2,896	12.21	20,213,378	69,924	1,114
	May	49,720,195	13,891	3,094	12.01	15,279,096	51,313	817
	Jun	52,277,515	14,562	3,310	11.85	15,025,203	48,974	780
	Jul	49,411,089	14,053	3,076	12.53	18,089,491	54,434	867
	Aug	69,643,432	17,495	3,909	13.39	19,040,657	57,835	909
	Sep	87,450,729	21,188	4,583	15.29	10,620,355	31,751	506
	Oct	36,498,507	9,800	2,152	15.30	9,428,014	27,210	433
	Nov	68,327,903	16,392	3,579	15.35	7,974,962	22,131	353
	Dec	45,513,186	11,134	2,469	15.75	11,010,387	30,001	478
<b>2007</b>	Jan	60,505,514	15,047	3,409	13.75	6,147,913	17,017	283
	Feb	37,866,228	11,039	2,406	11.82	7,804,193	21,704	360
	Mar	50,780,898	16,028	3,150	11.59	11,092,375	32,207	535
	Apr	48,063,985	13,322	2,947	11.56	16,774,151	49,284	819
	May	60,014,280	16,846	3,728	11.80	24,359,433	70,799	1,176
	Jun	55,171,347	14,911	3,410	11.69	33,187,201	93,889	1,559
	Jul	60,922,479	17,176	3,779	12.11	16,833,886	43,560	724
	Aug	77,374,973	21,298	4,577	12.87	11,818,298	30,441	506
	Sep	82,861,647	20,518	4,485	11.69	14,534,470	36,685	609

Source: Meatboard of Namibia

Table IV.N Beef and carcasses of small stock exports

Period	RSA Market			EU market			RSA-EU			Small stock carcasses		
	N\$	Tons	N\$/kg	N\$	Tons	N\$/kg	Number	N\$	Number	N\$	Number	Tons
2006	6,456,716	468	13.57	4,221,079	133	31.79	4,667	15,525,052	62,109	850.2	62,109	850.2
	4,304,850	303	13.84	3,097,867	91	33.92	4,934	23,746,903	85,933	1,277.7	85,933	1,277.7
	13,912,277	910	14.95	12,676,427	390	32.50	11,578	20,876,478	78,753	1,176.7	78,753	1,176.7
	18,693,974	1,152	15.87	19,761,995	586	33.73	14,759	20,665,205	77,612	1,138.7	77,612	1,138.7
	17,260,137	1,088	15.54	28,653,879	1,092	26.24	14,799	21,561,591	79,030	1,153.5	79,030	1,153.5
	22,883,384	1,456	15.38	49,941,553	1,540	32.42	20,034	15,025,203	75,111	780.1	75,111	780.1
	21,532,500	1,375	15.53	33,415,416	1,009	33.11	13,757	15,809,446	53,315	757.8	53,315	757.8
	13,924,030	831	16.84	31,481,391	934	33.69	15,581	13,032,927	46,065	622.3	46,065	622.3
	26,226,308	1,417	18.40	40,873,559	1,216	33.62	16,251	12,299,489	43,246	585.7	43,246	585.7
	15,751,838	923	16.77	31,351,608	875	35.82	12,144	16,942,013	53,335	778.9	53,335	778.9
	22,631,840	1,232	18.31	24,062,605	682	35.27	9,164	20,727,117	64,655	916.2	64,655	916.2
	5,311,335	297	17.77	20,612,070	587	35.13	7,339	27,496,423	80,495	1,193.5	80,495	1,193.5
2007	5,772,994	339	16.91	12,220,705	345	35.47	4,968	28,435,317	82,122	1,307.2	82,122	1,307.2
	6,150,739	406	15.10	12,668,796	377	33.63	6,193	33,429,590	96,271	1,544.1	96,271	1,544.1
	13,233,166	877	14.94	36,389,937	1,148	31.70	17,781	38,874,459	115,304	1,874.7	115,304	1,874.7
	14,030,641	887	15.64	42,776,600	1,250	34.20	13,814	30,499,726	92,815	1,488.4	92,815	1,488.4
	14,312,469	920	15.43	38,531,710	1,152	33.44	14,434	32,242,987	96,450	1,556.5	96,450	1,556.5
	12,537,578	811	15.36	50,013,230	1,460	34.25	21,571	20,959,519	62,036	984.8	62,036	984.8
	21,419,806	1,375	15.42	38,272,532	1,174	32.60	12,689	20,767,976	56,252	892.6	56,252	892.6
	14,069,965	855	16.27	25,361,667	768	33.01	10,137	23,512,748	60,563	1,005.9	60,563	1,005.9
	12,841,423	737	17.50	27,296,334	802	34.03	12,783	22,546,356	56,907	945.2	56,907	945.2

Source: Meatboard of Namibia

RSA-EU number refers to the total number of cattle slaughtered for beef exports to the South African and European Union markets.

The RSA-EU numbers excludes live exports, which are around 96 percent weaners.

N\$/kg under RSA market is average beef producer price derived from an average of following classes of beef: A0, A2, A5, AB0, AB2, AB5, B0, B2, B5, C0, C2, C5

**REVISION ON MONETARY AND FINANCIAL STATISTICS JUNE 2003 ONWARDS**

As already communicated in the Annual Report 2005, major revisions would be made to the Monetary and Financial statistics, due to the implementation of the IMF Monetary and Financial Statistics Manual 2000. This article serves to inform you on what necessitated the changes and when these changes will be effected.

Previously, the monetary and financial statistics (MFS) was compiled following the recommendations of the IMF 1984 "Guide to Money and Banking Statistics". In 2000, the IMF completed a manual on compilation of monetary and financial statistics that came into use shortly thereafter. In 2003, Namibia became one of the first countries in the world to implement the IMF Monetary and Financial Statistics Manual 2000. The implementation of the new manual, however, brought changes in terms of classifications of instruments, sectoral distributions and the use of terminology. This was due to the fact that the manual has more and detailed sectoral breakdown compared to the Guide. During the implementation process, it also came to light that some items were misclassified, which resulted in inconsistencies in the inter-bank asset/liability positions among other depository corporations (ODCs) and between ODCs and the Bank of Namibia (BoN).

The correct classifications, (by components and sectors) recording and the availability of the previously omitted data for various major components brought many changes to the current data presentations for the period June 2003 onwards, when compared to the past presented data for the same period.

In this connection, the Bank of Namibia in conjunction with the ODCs started with the process of correcting the affected items and the process was completed at the end of September 2007.

Therefore, please take note that BoN is currently reviewing the revised data and all changes to the various components brought about by the implementation of the new manual. The new set of data in comparison to the previous ones will be published in the Annual Report 2007 to be released in March 2008.

**9. BANK OF NAMIBIA PUBLICATIONS**

**ANNUAL REPORT**

**QUARTERLY BULLETIN**

**OCCASSIONAL PAPERS**

HOW CAN NAMIBIA FURTHER BENEFIT FROM AGOA

PROPERTY RIGHTS AND ACCESS TO CREDIT

PRIVATE EQUITY - LESSON FOR NAMIBIA

VIABILITY OF COMMERCIAL BANK BRANCHES IN RURAL COMMUNITIES IN NAMIBIA

POTENTIAL FOR DIVERSIFYING NAMIBIA'S NON-MINERAL EXPORTS

THE STRUCTURE AND NATURE OF SAVINGS IN NAMIBIA

SAVINGS AND INVESTMENT IN NAMIBIA

MODELLING INFLATION IN NAMIBIA

ESTIMATING THE DEMAND FOR MONEY IN NAMIBIA

EFFICIENCY OF COMMERCIAL BANKS IN NAMIBIA

NAMIBIA MACROECONOMETRIC MODEL (NAMEX)

**WORKING PAPERS**

PROMOTING MICROFINANCE ACTIVITIES IN NAMIBIA

CENTRAL GOVERNMENT DEBT SUSTAINABILITY

PUBLIC EXPENDITURE IN NAMIBIA

MONETARY POLICY TRANSMISSION MECHANISM IN NAMIBIA

ELECTRONIC COMMERCE IMPLICATION FOR THE FINANCIAL SYSTEM

ASSESSING THE IMPACT OF THE EU-SA AGREEMENT ON TRADE, DEVELOPMENT AND COOPERATION (ATDC) ON NAMIBIA'S PUBLIC REVENUE