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Bank of Namibia

Corporate Charter

MISSION

The mission of the Bank of Namibia is to promote monetary and financial stability in the interest of the Nation's sustainable economic growth and development.

VISION

Our vision is to be a centre of excellence a professional and credible institution, a leader in the areas of economics, banking and finance, driven by competent and dedicated staff.

VALUES

We are committed to service excellence.

We uphold integrity, impartiality, open communication and transparency.

We care for each other, our well-being and our contribution to the organisation.

We value teamwork.

NAMIBIAN ECONOMIC INDICATORS

	1999	2000	2001	2002(p)	2003(p)
Economic Indicators					
Population (million)	1.80	1.82	1.82	1.82	1.82
Namibia Dollar per US Dollar	6.11	6.9	8.6	10.5	7.6
Gini Coefficient	0.7	0.7	0.7	0.7	0.7
Real Sector					
GDP (N\$ Mil.) (current prices)	20 684	23 690	27 333	30 101	na
% Change-	10.1	14.5	15.4	10.1	na
GDP (N\$ Mil.) (constant prices)	14 591	15 100	15 457	15 960	na
% Change-	3.4	3.5	2.4	3.3	na
GDP per capita (N\$) (constant prices)	8 083	8 110	8 292	8 351	na
% Change-	0.2	0.3	2.3	0.7	na
Inflation-	8.6	9.3	9.3	11.3	7.3
Monetary & Financial Indicators					
Broad Money (M2) Annual Growth Rate	20.4	12.7	6.8	7.7	6.2
Narrow Money (M1) Annual Growth Rate	24.1	28.0	11.7	7.8	11.3
Domestic Credit (N\$ million)	10 093.3	11 622.6	13 272.9	14 988.9	18 019.2
Private Sector Credit (N\$ million)	9 233.7	10 792.0	12 614.2	14 817.7	17 065.4
Private Sector Credit (Annual Growth Rate)	5.50	16.87	16.88	17.47	15.20
Prime Rate	16.70	15.90	14.00	17.50	12.50
Bank Rate	11.50	11.25	9.25	12.75	7.75
Treasury Bill Rate	11.53	9.62	9.13	11.93	7.35
Call Account Rate	19.40	9.40	8.30	12.00	6.50
Average Deposit Rate	8.57	7.63	6.48	8.96	6.88
External Sector					
Trade Balance (N\$ million)	-1 248	48	-1 711	-2 183	-3 494
Current Account Balance (N\$ million)	1 436	2 795	509	1 417	2 598
Overall BoP Balance (N\$ million)	350	107	718	190	-776
Net Foreign Assets (N\$ million)	2 262	2 609	2 387	1 557	378
Gross Official Foreign Reserves (N\$ mil.)	1 877	1 986	2 704	2 895	2 118
Import Cover in Months	2.0	2.1	2.4	2.2	1.7
Central Government Sector					
Government Budget Surplus/Deficit as % of GDP	-3.1	-1.4	-4.3	-2.7	4.0
Domestic Borrowing (N\$ million)	4 363.6	4 808.7	5 494.8	6 483.7	8 368.5
External Borrowing (N\$ million)	687.7	909.7	1613.0	1 478.6	1 601.4
As % of Exports	9.3	11.3	16.4	13.2	16.9
Total Debt	5 051.3	5 718.4	7 107.8	7 962.6	9 969.8
As % of GDP	23.0	22.8	25.8	24.8	28.4

Source: Central Bureau of Statistics, Bank of Namibia, Ministry of Finance

(p) Provisional

na = not available

LIST OF ABBREVIATIONS

ABSA	Amalgamated Bank of South Africa
ADB	African Development Bank
BLNS	Botswana, Lesotho, Namibia and Swaziland
BoN	Bank of Namibia
BOP	Balance of Payments
BWH	Bank Windhoek
CBON	Commercial Bank of Namibia
CMA	Common Monetary Area
CPIX	Consumer Price Index Excluding Interest Rate on Mortgage Bonds
CRP	Common Revenue Pool
DBSA	Development Bank of Southern Africa
DMB's	Deposit Money Banks
DMCs	Deposit Money Corporations
ECB	European Central Bank
EU	European Union
FNB	First National Bank
GDP	Gross Domestic Product
GNI	Gross National Income
IATA	International Aviation Transport Association
ISM	Institute for Supply Management
KFW	Kreditanstalt fuer Wiederaufbau
KPMG	Chartered Accountants and Auditors
MoF	Ministry of Finance
MTPs	Medium Term Plans
M1	Narrow Money Supply
M2	Broad Money Supply
N\$	Namibia Dollar
NAM	Namibia
NDF	Namibia Defence Force

LIST OF ABBREVIATIONS (CONTINUED)

Nedcor	Ned Bank Corporation
NEER	Nominal Effective Exchange Rate
NPL	Non-performing Loans
NPRAP	National Poverty Reduction Action Programme
NSX	Namibia Stock Exchange
OBI's	Other Banking Institutions
PEMP	Performance and Efficiency Management Program
PRS	Poverty Reduction Strategy
PSCE	Private Sector Credit Demand
Q1	First Quarter
Q2	Second Quarter
Q3	Third Quarter
Q4	Fourth Quarter
REER	Real Effective Exchange Rate
REPO	Repurchase rate
RHS	Right Hand Side
ROA	Return on Assets
ROE	Return on Equity
RSA	Republic of South Africa
RSF	Revenue Sharing Formula
SACU	Southern African Customs Union
SADC	Southern African Development Community
SARB	South African Reserve Bank
SDRs	Special Drawing Rights
SIDA	Swedish International Development Agency
STD	Standard Bank
TAC	Total Allowable Catch
T-bills	Treasury bills
US	United States
US Dollar	United States Dollar
USA	United States of America

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1 SUMMARY OF ECONOMIC CONDITIONS

The outlook in the global economy during the last quarter of the year continued with the recovery phase that started in the preceding quarter, though at a slower pace. The US economy grew by about 4.0 percent in the fourth quarter compared to 8.2 percent during the third quarter 2003. However, the US producer prices rose by 0.3 percent in December, mostly due to a rise in energy price. In Japan, the year-on-year GDP increased by 6.4 percent during the fourth quarter of 2003, the highest quarterly growth in 13 years. On the other hand, the EU recorded the slowest growth of about 0.4 percent in 2003, in a decade.

In South Africa, quarter - on - quarter, GDP rose by 1.3 percent. The Rand continued to remain strong against the US Dollar during the fourth quarter of 2003, maintaining a quarterly average level of 6.7 Rand per one US Dollar, as recorded during the previous quarter. The South African consumer inflation, excluding interest rates on mortgage bonds (CPIX) depicted a declining trend, reaching 4.0 percent (year- on-year) in December 2003. A quarterly average annual inflation rate of 4.2 percent was registered for the fourth quarter of 2003 compared to 4.6 percent and 11.1 percent during the preceding quarter and corresponding period in 2002, respectively. However the CPIX for January 2004 rose marginally to 4.2 percent.

On the domestic front, economic activities indicated a slow down during the fourth quarter. Preliminary figures showed a decline of 0.5 percent in real GDP compared to a growth of 1.3 percent in the preceding quarter and to 2.4 percent in the corresponding quarter of 2002. Sectoral developments showed the value added of mining rising, while transport and communication and construction sectors showed slight increases. However, the hotels and restaurants sector (a proxy for tourism) indicated a decline due to decreasing number of tourist arrivals in the country. Activities in the sectors such as fishing, manufacturing, electricity and water, and wholesale and retail and agriculture also recorded contractions.

Average quarterly inflation rate for the fourth quarter of 2003 reached 3.2 percent due to a significant decline in the food price indices to 0.4 percent during the fourth quarter of 2003 from 24.6 percent recorded in the corresponding quarter of 2002. Non-food inflation also continued to decline, and contributed to the general decline in the overall inflation. However, the inflation rate for January 2004 increased slightly to 2.4 percent from 2.1 percent in December 2003, reversing the trend since December 2002.

The quarter-on-quarter growth rate in broad money supply (M2) decreased by 2.9 percent for the quarter ending December 2003. This is a significant decline when compared with the growth rate of 9.4 percent in the previous quarter, and a slight decline of 0.1 percent in the corresponding quarter of the previous year. During the same quarter, the bank rate fell further by 200 basis points from 9.75 percent to 7.75 percent, leading to commercial banks reducing their rates. The decline was necessary in order to align the interest rates

in Namibia with that of South Africa given the CMA arrangement. As a result of low interest rates, demand for credit by the other sectors increased.

On the fiscal side, the budget deficit for the third fiscal quarter increased at a slower rate than those recorded in the previous two quarters. It is however, still higher when compared against the surplus of the corresponding quarter. The deficit was mainly due to the absence of diamond mining company taxes during December 2003, resulting in the decline in the balance on the State Account by 75.9 percent when compared to the same period of 2002/03. Further, total Central Government debt indicated an increase of 3.5 percent during the third fiscal quarter compared to a decline of 1.2 percent recorded in the corresponding period of 2002/2003.

The balance of payments for Namibia during the fourth quarter of 2003 was characterized by both narrowing current account surplus and capital and financial account deficit. This scenario in the external sector has resulted in a deficit of N\$72.6 million in the overall balance in the balance of payments compared to a surplus of N\$5.9 million in the preceding quarter and a deficit of N\$37.0 million in the corresponding quarter of 2002.

2. INTERNATIONAL OUTLOOK¹

The global economic growth has continued recovering, though at a slower pace. On a quarter on quarter basis, the US economy grew by about 4.1 percent in the fourth quarter compared to 8.2 percent during the third quarter 2003. Total industrial output growth was 2.7 percent in the fourth quarter 2003, lower than the peak experienced 42 months ago, in June 2000, and had only regained its March 2001 level. US trade deficit narrowed unexpectedly in November 2003 by 8.6 percent as civilian aircraft sales pushed exports to highest level in three years. However, it widened to 17.7 percent in December. The US producer prices rose by 0.3 percent during the fourth quarter, mostly due to a rise in energy price of about 1.8 percent.

The Eurozone economy grew by an estimated 0.4 percent in 2003, which is the weakest pace in a decade. The business confidence in the zone declined in December 2003, after it had risen during the preceding four successive months to stand at a two-and-a-half year high in November. It is feared that the strengthening of the euro is set to increasingly feed through to undermine sentiment. Until December's drop, it had appeared that the business confidence was rising from improving global growth. However, Eurozone economic recovery is expected to pick up in employment and investment levels over the coming months.

In Japan, the year-on-year GDP increased by 6.4 percent in the last quarter of 2003. This is the highest since the last days of economic bubble in April -June 1990 when it scored 10.5 percent growth. The strong economic growth in 13 years during the last quarter of 2003 was due to the robust increase in exports and corporate investment on factories and equipment. The current account surplus unexpectedly widened, rising to 1.4 percent in November as the country's exports benefited from the global economic recovery. Rising demand from Japan's two biggest export markets, the US and China, may help extend Japan's longest period of economic growth in two years which may help slow down the effect of the appreciation of the Yen by 11.0 percent against the US Dollar in the past, which made Japanese goods more expensive overseas.

In South Africa, the Rand continued to remain strong against the US Dollar during the fourth quarter of 2003, remaining at the same a quarterly average level of 6.7 Rand per one US Dollar, as recorded during the previous quarter. South Africa's CPIX inflation (headline inflation excluding mortgage costs) came down to 4.0 percent on an annual basis in December but increased marginally to 4.2 percent in January 2004, which is within its 3 to 6 percent target range. Year -on -year growth in M3 (broadly defined money supply) increased by 8.4 percent during the fourth quarter of 2003 compared to 12.8 percent during the same period last year. However, when compared to the preceding quarter, it increased by 4.3 percent.

¹ Global Insight Jan/February 2004

3. REAL SECTOR AND PRICE DEVELOPMENTS

3.1 REAL ECONOMIC DEVELOPMENTS

Preliminary estimates indicated a slow down in economic activities in Namibia during the fourth quarter of 2003. Real GDP growth during the fourth quarter showed a slight decline of 0.5 percent compared to an increase of 2.4 percent in the corresponding quarter of 2002. The activities in the sectors such as mining, construction and transport and communication registered increases while sectors such as fishing, agriculture, manufacturing, hotels and restaurants, electricity and water and wholesale and retail trade recorded declines.

3.2 SECTORAL DEVELOPMENTS²

3.2.1 Performance of the Primary Sector

Agriculture

The value added of the agricultural sector is estimated to have decreased by 4.8 percent during the fourth quarter of 2003 compared with a decline of 10.2 percent during the corresponding quarter of the previous year. Similarly, when the quarter under review is compared to the preceding quarter, a decline of 5.4 percent was registered. The fall in the agricultural value added is due mainly to a substantial decrease of 20.1 and 9.1 percent in the number of cattle and small stock marketed, respectively during the quarter. This seems to indicate the continuation of the re-stocking phase by farmers, coupled with the ban to market on-hoof cattle. To this effect, skins and hides also decreased by 40.9 and 16.0 percent respectively. Since livestock is the backbone of the agriculture sector, its negative performance, resulted in a decline in the overall output of the sector.

Fishing

The fishing sector is estimated to have performed poorly during the fourth quarter of 2003. Recent data indicates a decline in the value added by 14.2 percent compared to a decline of 9.6 percent recorded in the corresponding quarter of 2002. When the same quarter is compared to the preceding quarter, a decrease of 13.0 percent was recorded. The decline, during the fourth quarter of 2003 was due to lower total fish landings during the quarter, mainly the landings of hake, horse mackerel rock lobster and crab. Although the landings of other fish species is estimated to have increased, this could not bring about growth in the overall sector.

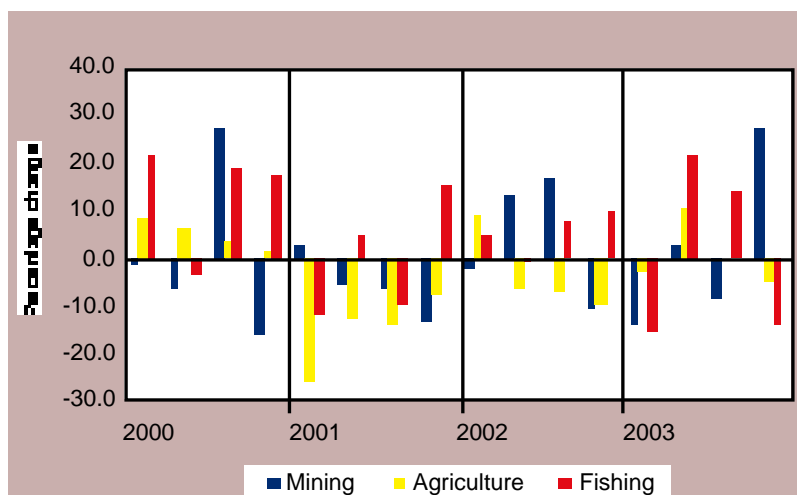
Mining

Value added of the mining sector is estimated to have increased significantly by 27.4 percent during the fourth quarter of 2003 compared to a decrease of 10.8 percent during

² Figures in this section are Bank of Namibia's estimates and are subject to change when those of the Central Bureau of Statistics becomes available.

the same period in 2002. The rise stemmed mainly from the value added of the diamond industry which increased by 16.5 percent, supported by a rise in zinc production. However, other minerals such as gold, lead, silver and copper, recorded negative growth rates, but could not offset the increase in the diamond industry and therefore an expansion in the overall value added of the sector. However, a decline of 1.0 percent was registered when the current quarter is compared to the previous quarter.

Chart 3.1 Value added of the primary sector



3.2.2 Performance of the Secondary Sector

Manufacturing

Value added of the manufacturing sector recorded a contraction of 7.5 percent during the fourth quarter of 2003 compared with expansions of 2.0 percent and 3.0 percent recorded during the corresponding quarter of the previous year, and the preceding quarter, respectively. The poor performance in the manufacturing sector was primarily due to the meat and fish processing, non-alcoholic and alcoholic beverages sub-sectors. On the other hand, value added of other manufacturing and other food products showed growth.

Construction

The value added of the construction sector increased by 6.6 percent during the quarter under review compared to a decline of 22.2 percent in the corresponding quarter of 2002. However, there is only a slight growth of 0.1 percent when the quarter under review is compared to the preceding quarter. The positive performance of the sector might be attributed to the drop in interest rates since the middle of 2003, combined with low and stable prices that prevailed during the same period.

Electricity and Water

Value added of the electricity and water sector declined by 3.2 percent during the fourth

quarter of 2003 as compared to 6.1 percent recorded during the corresponding quarter of 2002. Contributing to the decline was the electricity sub-sector while the water sub-sector indicated a rise due to the relatively high demand during the warm season. However, when compared to the preceding quarter, the value added of the sector showed a decline.

3.2.3 Performance of the Tertiary Sector

Wholesale and Retail Sector

The wholesale and retailing sector's value added is estimated to have fallen by 4.2 percent during the last quarter of 2003 compared to a growth of 15.4 percent during the corresponding period of 2002. When compared to the third quarter of 2003, it grew significantly by 22.0 percent. The positive performance (quarter-on-quarter) was reflected in the increase in the value added of all the sub-sectors namely vehicles, furniture, clothing and supermarkets. The expansion may be attributed to the low inflation environment that prevailed during the same period and the usual high demand during the festive season.

Transport and Communication

Value added of the transport and communications sector is estimated to have risen by 5.4 percent during the fourth quarter of 2003 compared to 11.0 percent registered during the corresponding quarter of 2002. However, a slight increase of only 2.0 percent was recorded when the quarter under review is compared to the previous quarter. All the sub-sectors performed well, with the exception of the rail and postal sub-sectors. A reduction in fuel cost could be among the reasons behind the good performance of this sector.

Hotels and Restaurants

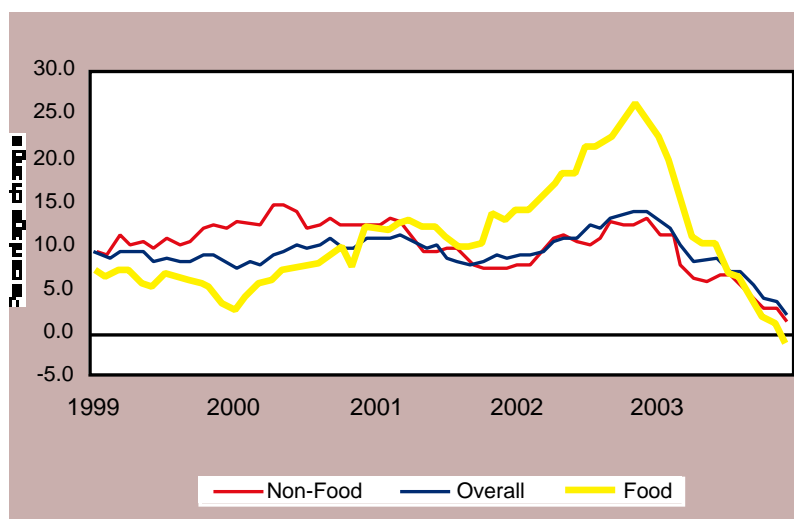
The hotels and restaurants sector (which is regarded as a proxy for the tourism sector) performed poorly during the quarter under review. Value added of the industry fell by 5.1 percent compared to a decline of 16.7 percent in the corresponding quarter of the previous year. A contraction was also recorded when compared to the preceding quarter. The number of arriving visitors to Namibia slowed down during the quarter under review. Further, the Hospitality Association of Namibia (HAN) statistics confirmed the slow down indicating a decline in the room occupancy rate to 49.9 percent during the quarter under review compared to 56.4 percent during the same period last year. This might be attributed to the appreciation of the Namibia Dollar.

3.3 PRICE DEVELOPMENTS

Inflation in Namibia continued to decrease during the last quarter of 2003, recording 3.9 percent during the first month of the quarter and 2.1 percent in December 2003. However, it increased slightly to 2.4 percent in January 2004. The average quarterly inflation rate for the fourth quarter of 2003 was 3.2 percent, lower by 3.1 percentage points than that of the preceding quarter and more than three times lower than the rate of 11.3 percent recorded during the same period of the previous year. Behind the low rate of inflation is the food

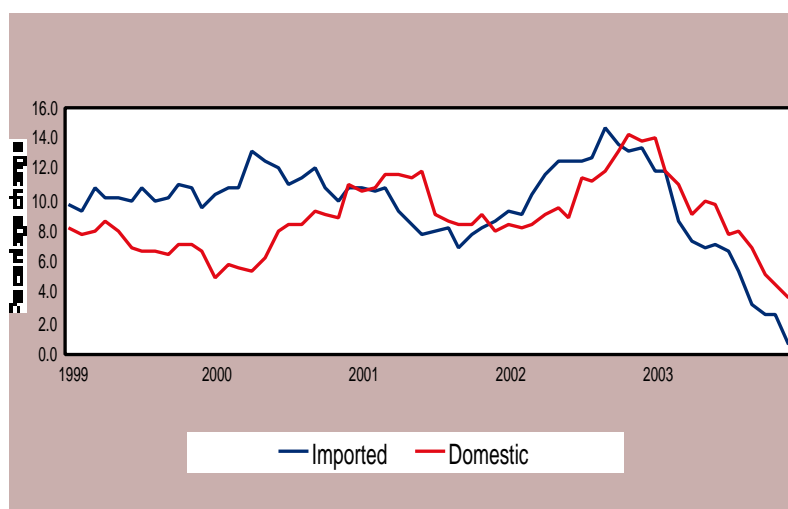
price indices which declined considerably, reaching a negative inflation rate of 1.4 percent in December 2003. The average quarterly food inflation was 0.4 percent during the fourth quarter of 2003 compared to 24.6 percent in the corresponding quarter of 2002. Non-food inflation continued to decline, reaching 1.1 percent in December 2003 and contributed to the slowdown in the overall inflation rate (Chart 3.2).

Chart 3.2 Namibia's Overall, Non-Food and Food Inflation



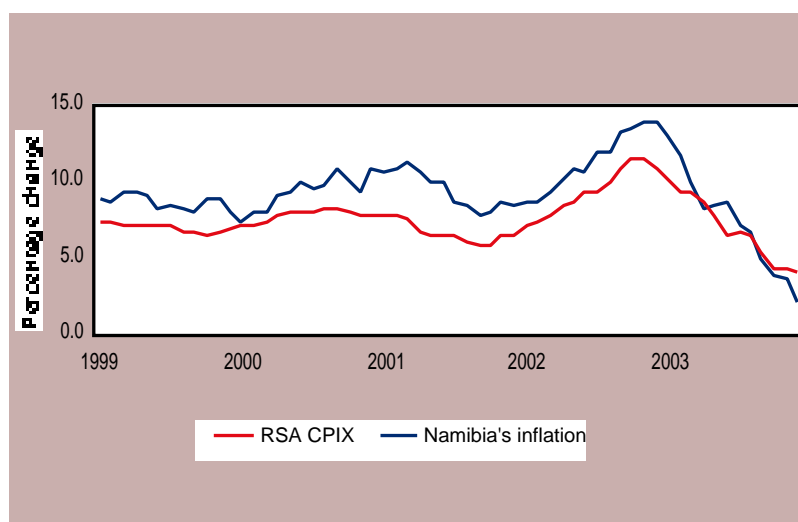
On the basis of imported and domestic inflation, imported inflation continued with the significant downward trend during the fourth quarter of 2003 as was observed in the preceding quarters. After declining to 2.6 percent in October, imported inflation decreased further to 0.5 percent in December 2003, resulting in a quarterly average rate of 1.9 percent for the fourth quarter of 2003. This is a significant decline when compared to 13.3 percent recorded during the corresponding quarter of 2002. The downward-trend indicates the effect of the sharp appreciation of the Namibia dollar since the beginning of 2003 which affected mainly the price indices of maize, grains and other related products. Although the same trend was observed for the domestic inflation, the rate in this category was higher at 4.4 percent than the imported inflation during the period under review. This rate is however lower than 7.4 percent and 13.7 percent recorded during the preceding quarter and the same period of 2002 respectively (Chart 3.3).

Chart 3.3 Namibia's Domestic and Imported Inflation



The South African consumer inflation, excluding interest rates on mortgage bonds (CPIX), also depicted a declining trend, reaching 4.0 percent (year-on-year) in December 2003. However, it increased marginally to 4.2 percent in January 2004. A quarterly average annual inflation rate of 4.2 percent was registered for the fourth quarter of 2003 compared to 4.6 percent and 11.1 percent during the preceding quarter and corresponding time in 2002, respectively. Inflationary pressures have been easing following the Rand's appreciation since the beginning of last year, with prices of various imported consumer goods declining rapidly. This indicates that both Namibia and South Africa shared the same situation of the effects of the appreciation of the Rand, and hence the Namibia Dollar (Chart 3.4).

Chart 3.4 Namibia's Inflation Vs South Africa's CPIX



4. MONETARY AND FINANCIAL DEVELOPMENTS

BOX A NOTICE: MIGRATING TO THE NEW IMF MANUAL ON MONETARY AND FINANCIAL STATISTICS AND NEW INTEREST RATES COMPARISON TABLE

As was notified in the Annual Report of 2002, the Bank of Namibia has finally migrated to the new framework for compiling the Monetary and Financial Statistics, starting with the March 2004 Quarterly Bulletin. This basically means that the Monetary and Financial Statistics are now being presented based on the 2000 Manual on Monetary and Financial Statistics of the IMF. As mentioned in the Advance Notice, the migration will entail mostly change in the terminology and the differences in classifications. Please note that the aggregates based on the new framework might differ with those in the old framework in some instances, due to the classification differences between these two frameworks. A brief summary of the terminological differences are once again included as part of this notice, to aid readers to better understand the new framework.

CHANGE IN METHODOLOGY OF MONETARY AND FINANCIAL STATISTICS

The guidelines contained in the Monetary and Financial Statistics Manual (MFSM) aim to provide a conceptual framework for the presentation of monetary and financial statistics, to assist in the formulation and monitoring of monetary policy and to harmonize the MFS system with other macro-economic statistical systems, especially the System of National Accounts (SNA) 1993.

In the MFSM, monetary and financial statistics are defined to include comprehensive stock and flow data, non-financial and financial assets and liabilities of financial corporations as well as the financial assets and liabilities of the entire economy. The main difference between the old and the new framework in the case of Namibia is the use of terminology. This means that as the Bank of Namibia moved to the new manual, only the analytical framework changed and there will be no change in the coverage of institutions and instruments for the immediate future. This manual replaces the old money and banking statistics terminologies with the new ones as shown in the table below.

BOX A NOTICE: MIGRATING TO THE NEW IMF MANUAL ON MONETARY AND FINANCIAL STATISTICS AND NEW INTEREST RATES COMPARISON TABLE(CONTINUED)

Table 1 Terminology Old and New

Old Terminology ¹	MFSM
Banking Survey	Depository Corporations Survey (DCS)
Financial Survey	Financial Corporations Survey (FCS)
Deposit Money Banks (DMB's)	Other Depository Corporations (ODC's)
Other Banking Institutions (OBI's)	Other Depository Corporations (ODC's)
Non-bank Financial Institutions (NBFIs)	Other Financial Corporations (OFC's)
Capital; net worth	Shares and other equity
Nonfinancial Public Enterprises, or State Enterprises	Public Nonfinancial Corporations
Private Sector Credit	Claims on Other Sectors
Credit to Businesses	Credit to other nonfinancial Corporations
Credit to Individuals	Credit to other resident sectors
Time & Savings Deposits	Other Deposits
Demand Deposits	Transferable Deposits

The new terminology is used throughout the MFSM as well as in the compilation and presentation framework.

The primary focus of the MFS System, based on the sectorisation according to the manual and the 1993 SNA, covers only the "Financial Corporations Sector" since such a sector is directly responsible for the expansion of money and credit to the whole economy, according to the broad money liability concept.

¹ The old methodology is based on the Guide on Money and Banking Statistics.

BOX A NOTICE: MIGRATING TO THE NEW IMF MANUAL ON MONETARY AND FINANCIAL STATISTICS AND NEW INTEREST RATES COMPARISON TABLE(CONTINUED)

The “Financial Corporations Sector”, in turn may be divided into 3 sub-sectors as follows:

The **Central Bank Sub-sector** is the national financial institution, which mainly performs functions such as the issuing of currency, the conducting of monetary policy, management of international reserves, and the provision of credit to ODCs.

The **Other Depository Corporations Sub-sector (ODCs)** consists of all resident financial corporations (except the Central Bank) and quasi-corporations which are mainly engaged in financial intermediation and for which liabilities consist of deposits or financial instruments that are close substitutes for deposits which are included in the national definition of broad money. The ODCs subsector comprises institutional units such as commercial banks, specialized financial institutions that issue financial instruments, which are included in the national definition of broad money.

The **Other Financial Corporations Sub-sector (OFCs)** comprises financial corporations other than depository corporations. The OFCs subsector includes institutional units such as finance companies, insurance corporations, pension funds (pension funds administered by the Government are excluded), brokers, etc. Kindly note that the Bank of Namibia will not cover this sub-sector in the definition of broad money currently or in the immediate future.

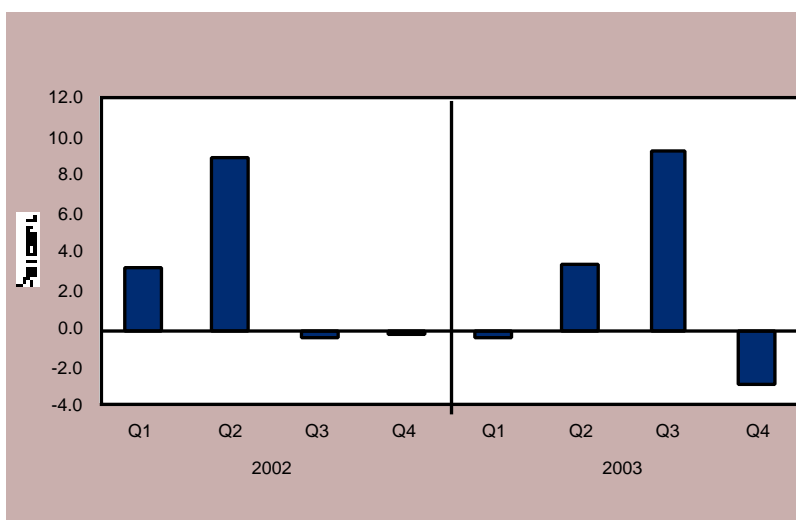
The MFSM makes no distinction between the commercial banks (DMB's) and the other banking Institutions (OBI's). Both belong to the 'Other Depository Corporations' sub-sector. This is unlike in the Guide where a distinction is being made between the two. The Depository Corporations Survey (DCS) covers the accounts of depository corporations and is a consolidation of the Central Bank Survey and the Other Depository Corporations Survey. The framework of the DCS is designed to facilitate the analysis of broad money and its components, credit aggregates and their components, and depository corporations' foreign assets and liabilities as well as other assets and liabilities. The consolidation into the survey is done by way of netting out each unit's claims on and liabilities to other units within the sub-sector concerned, resulting in a survey that shows only the financial sub-sector's claims on, and liabilities to other sectors, including other financial sub-sectors, and non-residents.

Also, for the first time, a table with comparative interest rates has been included in this Quarterly Bulletin. This table gives a comparison of Namibian interest rates vs. those of South Africa namely, the Bank Rate, Prime Rate, Lending Rates and Deposit Rates.

4.1 MONETARY DEVELOPMENTS³

Despite the significant easing of monetary policy and the low inflation environment that prevailed during the fourth quarter of 2003, growth in the broadly defined money supply (M2) decelerated during the same period. The quarter-on-quarter growth rate in the broad money supply (M2) decreased by 2.9 percent for the quarter ending December 2003. This is a significant decline when compared with the growth rate of 9.4 percent in the previous quarter, and a slight decline of 0.1 percent in the corresponding quarter of the previous year. This decrease in the growth in money supply over the quarter was brought about by declines of 12.6 percent and 7.0 percent in the net foreign assets of the depository corporations and the *net other assets and liabilities*, respectively. Net claims on the central government and claims on the other sectors, exerted an expansionary effect on the money supply, but not enough to avert an overall contraction on the growth rate of money supply (Chart 4.1).

Chart 4.1 Monetary Aggregates (Quarterly Growth Rates)



Measured over twelve months, growth in M2 rose to 9.6 percent in December 2003. The driving force behind the growth during the year 2003 was the claims on other sectors, which rose by 11.6 percent or N\$1.7 billion to reach N\$16.8 billion.

Components of Broad Money Supply

The decline in M2 during the fourth quarter was reflected in a decrease in the other deposits. The component other deposits declined by 9.1 percent during the quarter under review. Currency outside depository corporations and transferable deposits, on the other hand, recorded increases of 2.6 percent and 1.9 percent, respectively, indicating the preference for liquidity on the part of the public. The rise in the liquidity preference was also reflected in an increase in the share of currency outside depository corporations and

³ The monetary developments are based on the IMF's new manual on Monetary and Financial Statistics. There is a break in the series because of classification differences, brought about by this new manual.

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transferable deposits in total money supply, which rose to 59.3 percent during the quarter under review, from 56.5 percent in the previous quarter. The share of other deposits amounted to 40.7 percent, down from 43.5 percent in the preceding quarter. Lower interest rates on other deposits (deposits of all maturities) may have contributed to the pick up in transferable deposits (cheque and transmission) in the fourth quarter.

4.1.1 Determinants of Money Supply

As suggested by the above, the deceleration in money supply during the fourth quarter of 2003 emanated mainly from the net foreign assets and the *net other assets and liabilities*, whereas increases in domestic claims counteracted this somewhat. Net foreign assets and the *net other assets and liabilities*, exerted contractionary effects on the money supply to the tune of N\$178.7 million or 2.6 percent and N\$28.2 million or 0.2 percent as compared to an increase of N\$380.5 million and a decline of N\$64.6 million, respectively, during the previous quarter.

On the other hand, the net claims on the central government and claims on the other sectors exerted expansionary effects on the money supply. Net claims on the central government and claims on the other sectors contributed 0.3 percent and 5.5 percent to the change in M2, respectively.

In summary, as a direct consequence of the above developments, broad money supply decreased by N\$403.4 million or 2.9 percent to N\$13.6 billion in the fourth quarter of 2003 from a level of N\$14.0 billion recorded during the third quarter of 2003.

Table 4.1 Determinants of Broad Money Supply, Quarterly Change (N\$ Million)

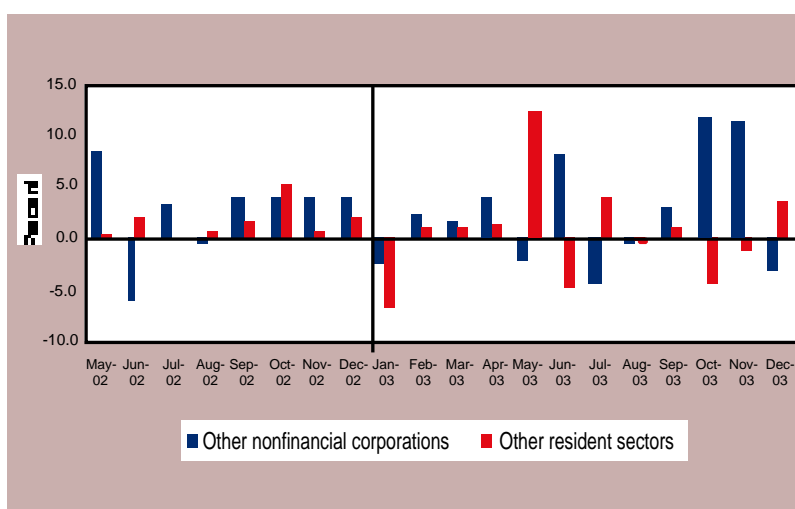
	Q1	2003		Q4	Contribution to change in M2
		Q2	Q3		
Domestic Claims	1053.8	193.6	418.3	809.9	5.8
Claims on other sectors	370.6	284.2	333	768.2	5.5
Net Claims on					
Central Govt.	683.2	-90.6	85.1	41.6	0.3
Net Foreign Assets of	-641.2	-429.8	380.5	-178.7	-2.6
Depository Corporations					
Net other assets and liabilities	157.5	471.8	-64.6	-28.2	-0.2
Broad Money Supply	-43.7	431.6	1208.5	-403.4	-2.9

4.1.1.1 Claims on Other Sectors

During the fourth quarter of 2003 demand for credit by the other sectors was supported by lower interest rates. Credit extended to the other sectors by the Other Depository Corporations increased by 4.8 percent from a rise of 2.1 percent in the previous quarter. This growth is, however, lower than the 9.1 percent increase recorded in the corresponding quarter of the preceding year. Contrary to the improved growth in credit to the other sectors over the quarter, annual trends showed a slowdown in credit extended to the other sectors. Year-on-year credit growth slowed, moving from 19.4 percent in December 2002 to 11.6 percent in December 2003.

A close observation of other depository corporations' claims on the other sectors by category shows that the increase in the growth during the quarter under review was mainly a result of a rise in credit extended to the other nonfinancial corporations. Credit to the other nonfinancial corporations rose by 19.1 percent as opposed to a decline of 1.6 percent in the previous quarter and an increase of 12.3 percent in the corresponding quarter of the preceding year. Credit to other resident sectors, on the other hand, recorded a decrease of 1.9 percent over the quarter, compared to increases of 4.2 percent recorded during the previous quarter and 7.7 percent in the corresponding quarter of the preceding year (Chart 4.2).

Chart 4.2 Credit to the Other Sectors



Growth in asset-backed credit extended to the other sectors by the monetary sector was buoyant in the quarter under review. A disaggregated analysis of other depository corporations' claims on the other sectors by type of credit indicates that a large share of credit extension during the fourth quarter of 2003 was in the form of collateralized lending, mainly real estate. The real-estate market pulled the demand for mortgage financing higher at a quarterly rate of 9.0 percent from a decline of 27.6 percent in the previous quarter and a slow growth of 3.1 percent in the corresponding period of 2002. Similar to the demand for mortgage lending, installment sale credit showed clear signs of positive

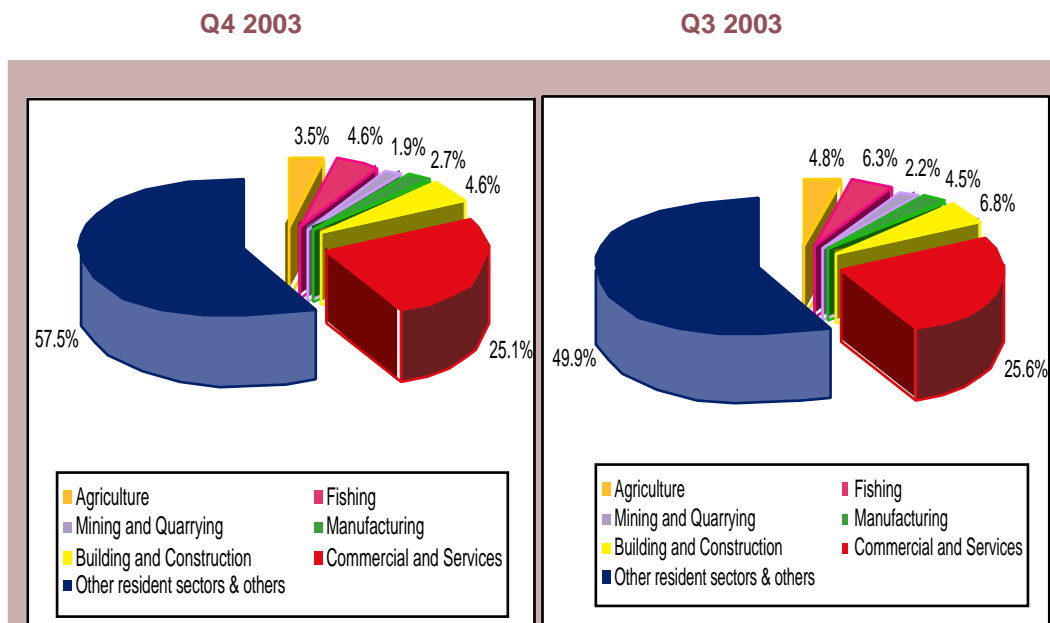
growth in consumer demand in the fourth quarter of 2003. The growth over the quarter in this type of credit, mainly required for financing the purchasing of motor vehicles and other durable goods, rose to 6.4 percent from an increase of 4.3 percent in the previous quarter. The rate for the corresponding quarter of the preceding year was an increase of 4.0 percent.

The above developments mainly reflected the impact of the lower interest rates environment, making investment in property attractive coupled with attractive vehicle-financing packages offered by the industry. In other words, the growth rates in total asset-backed credit indicate favorable bank lending conditions. By contrast to collateralized lending, other loans and advances, i.e. overdrafts to ordinary clients and preference shares (overdrafts to corporate clients) and structured finance deals declined further to 11.9 percent from 3.3 percent in the previous quarter. This is much lower than a robust growth of 22.0 percent recorded in the corresponding quarter of the previous year.

The sectoral analysis of other depository corporations' credit reveals that credit to the mining and quarrying sector declined by 12.3 percent, after recording a massive increase of 73.7 percent in the previous quarter. Similarly, growth in credit extended to the fishing and agricultural sectors decreased to 22.5 percent and 23.6 percent, respectively, as opposed to growths of 29.8 percent and 23.7 percent, respectively in the previous quarter. Credit extended to the manufacturing and building and construction sectors both recorded negative growth rates of 36.4 and 28.7 percent, respectively during the quarter under review.

In terms of composition, for the quarter ending December 2003, the category other resident sectors and others continued to account for the biggest share (57.7 percent) of total other depository corporations' credit to the other sectors, followed by the commercial and services category that accounted for 25.1 percent. The comparative shares for the previous quarter were 49.9 percent and 25.6 percent, respectively. The combined proportion of agriculture, fishing, mining and quarrying, manufacturing and building and construction in total other depository corporations' credit fell to 17.4 percent in the fourth quarter of 2003 from 24.5 percent in the previous quarter.

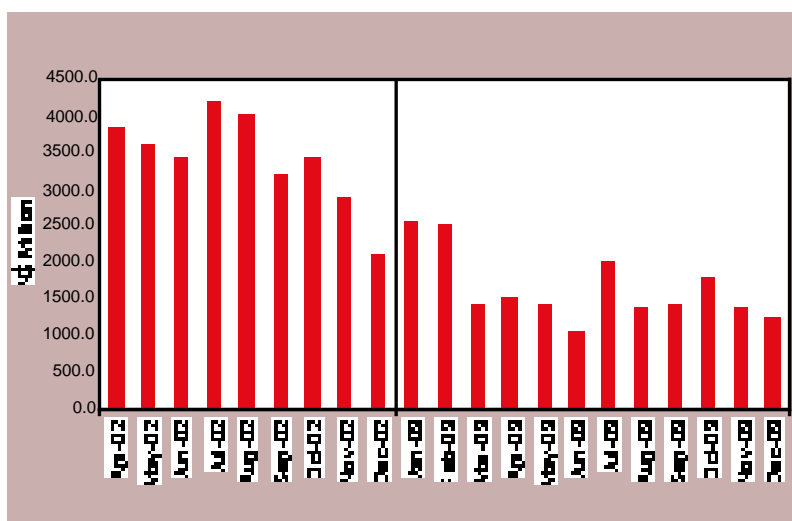
Chart 4.3 Composition of Other Depository Corporations' Credit



4.1.1.2 Net Foreign Assets

During the fourth quarter of 2003, the net foreign assets of the depository corporations in Namibia decreased by 12.6 percent, compared with a decline of 36.5 percent recorded in the previous quarter. This exerted a contractionary effect on the supply of money during the period under review. The decline is, however, insignificant when compared to a decline of 34.1 during the corresponding period of the preceding year.

Chart 4.4 Net Foreign Assets of Depository Corporations



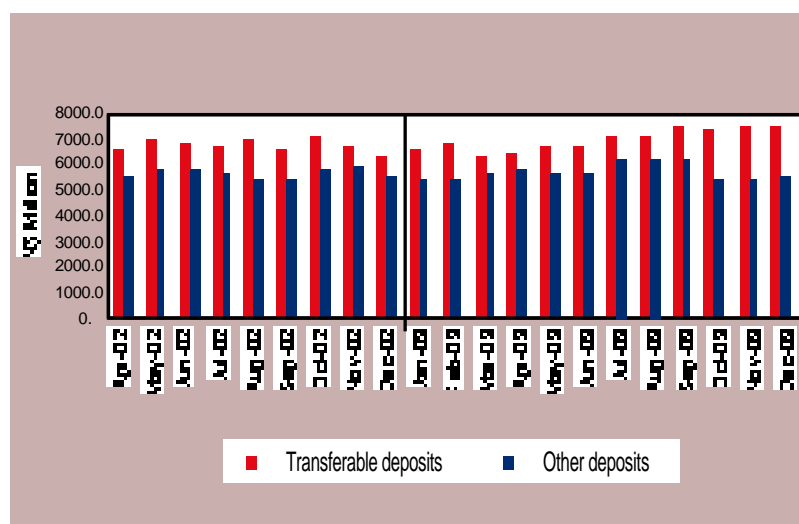
4.1.2 Other Depository Corporations Sources of Funds

The total deposits of other depository corporations declined by N\$418.4 million or 3.1 percent to reach N\$13.0 billion at the end of the fourth quarter of 2003. This is a significant decline when compared with an increase of 9.7 percent during the previous quarter and a decline of 0.02 percent in the corresponding quarter of the preceding year.

The decline in other depository corporations' deposits was reflected in other deposits, which fell by 9.1 percent during the quarter under review. Transferable deposits, on the other hand, recorded an increase of 1.9 percent during the same period.

Composition-wise, deposits of other sectors accounted for the bulk of other depository corporations deposits (84.0 percent) of which deposits by other nonfinancial corporations and other resident sector's deposits constituted 44.9 percent and 39.0 percent, respectively. The remaining 10.1 percent was accounted for by the other financial corporations during the quarter under review.

Chart 4.5 Types of Other Depository Corporations Deposits



4.1.3 Money Market

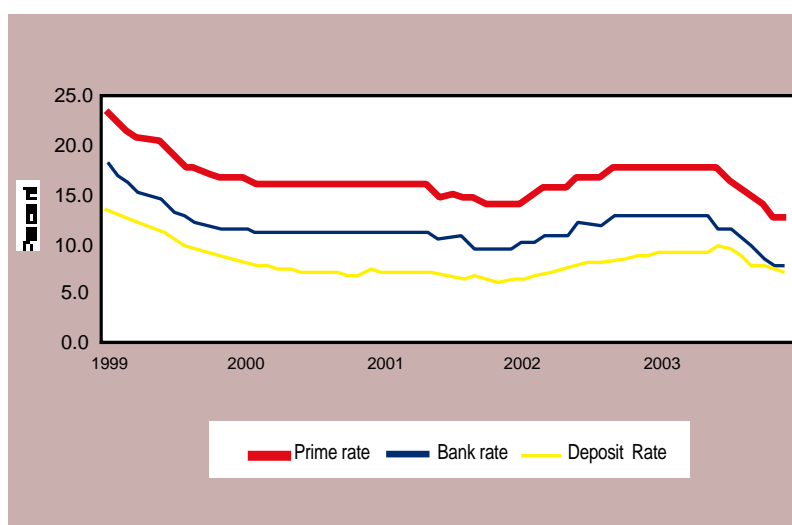
The money market in the fourth quarter of 2003 was characterized by further easing of the monetary policy stance. During the fourth quarter of 2003 the bank rate fell by 200 basis points from 9.75 percent to 7.75 percent. The decision to reduce the Bank rate was largely based on the need to keep domestic interest rates in line with those prevailing in South Africa, given the present exchange rate regime. Both the SARB and the Bank of Namibia decreased the REPO rate and the Bank rate by 200 basis points, respectively. Through this move the interest rate differential between Namibia and South Africa stood at 25 basis points as at the end of December 2003. The easing of monetary policy by the Bank of Namibia is expected to boost business confidence and support the growth prospects of the economy by exerting a positive influence on the cost of funds.

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In line with the above-mentioned developments, other depository corporations also adjusted their lending rates. As a result, the average prime lending rate of other depository corporations decreased by 220 basis points to 12.50 percent during the fourth quarter of 2003 from 14.70 percent in the previous quarter. During the same period the average mortgage rate declined by 156 basis points to 12.63 percent from 14.19 percent. Similarly, the average lending and deposit rates decreased by 113 basis points and 103 basis points to 12.91 percent and 6.88 percent, respectively, at the end of December 2003. As a result, the nominal spread between average lending and deposit rates narrowed by 10 basis points to 6.03 percent.

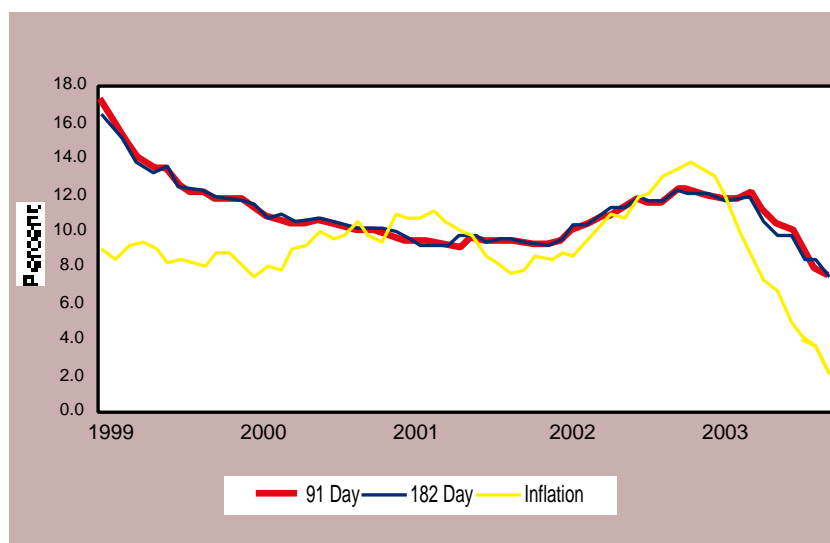
In real terms, the average lending rate recorded an upward movement, rising from 6.82 percent in September to 8.39 percent in December 2003. Similarly the average real deposit rate increased from 1.27 percent to 3.14 percent over the same period. The strong abatement in inflation is mainly responsible for these trends. The positive and increasing real deposit rates, which started in the second quarter of 2003, is a welcome development, as it may enhance the deposit mobilization process. However, the still increasing average lending rates may act as a deterrent to investment.

Chart 4.6 Selected Interest Rates



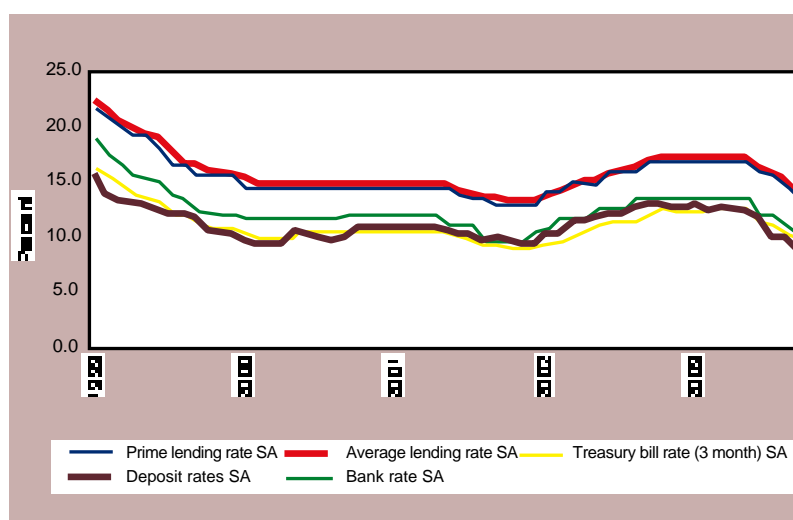
The developments in the money market were also reflected in the cost of government borrowing. In the market for government short-term borrowing, the effective yield for 91-days T-Bills declined from 10.65 percent in the third quarter to 7.70 percent at the end of the fourth quarter of 2003. For the six months bills, the effective yield fell from 10.50 percent to 7.88 percent over the same period.

Chart 4.7 Treasury Bills Discount Rates



The South African money market was also marked by further easing of monetary policy stance in the fourth quarter. Consequently, the Repo rate in South Africa, which is comparable to Namibia's Bank Rate, also depicted a declining trend during the fourth quarter of 2003. The Repo rate fell to 8.00 percent from 8.50 in October and 10.00 percent in September 2003. Likewise, the average prime lending rate declined from 14.50 percent at the end of the third quarter to 11.50 percent during the fourth quarter of 2003. In line with the above mentioned declines, the average deposit and the average lending rates decreased from 8.69 percent and 13.86 percent in September to 6.10 percent and 11.75 percent at the end of December 2003. As a result, the nominal spread between average lending and deposit rates widened slightly by 0.45 percentage points to 5.65 percent from 5.2 percent in the previous quarter.

Chart 4.8 Selected Interest Rates (South Africa)

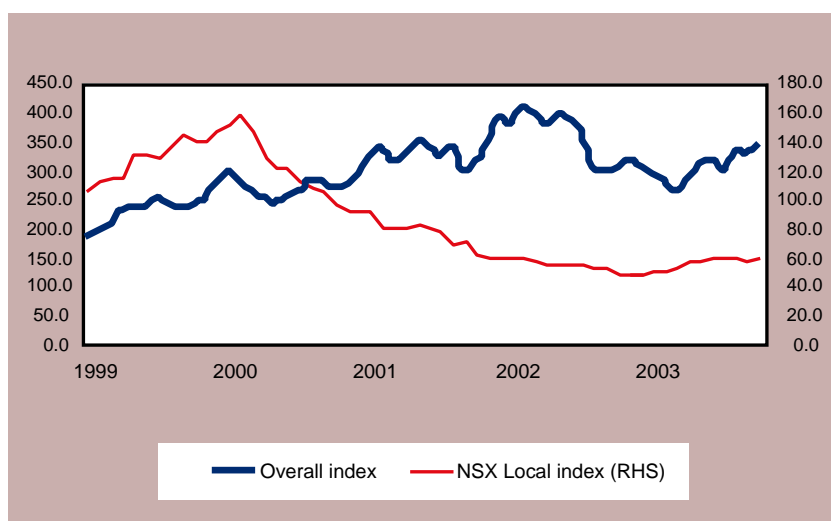


4.2 CAPITAL MARKET

The overall index of the NSX increased during the fourth quarter of 2003. The overall index ended the quarter at 347.3 points from 299 points as at the end of the previous quarter. As a result, the overall market capitalization also rose from N\$391 billion at the end of the second quarter to N\$460 billion at the end of the fourth quarter. The quarter-on-quarter increase in the overall index was due to improved trading on the NSX. The local index remained unchanged at 58 points during the same period. Consequently, the local market capitalization was unchanged at N\$2.0 billion over the same period.

During the fourth quarter of 2003, the volumes traded in the dual-listed shares increased, while the local volumes declined. The overall volumes traded rose from N\$7.4 million in the third quarter to N\$7.7 million at the end of the fourth quarter. However, the overall turnover declined from N\$205.6 million to N\$142.2 million in December 2003. The movement in opposite directions in the volumes and values, could have been caused by the fact that shares sold at the end of September were higher priced or more expensive shares, whereas less expensive or lower priced shares were sold in December. The volumes of the local shares fell to N\$83 thousand in December 2003 from N\$581 thousand at the end of September 2003. Likewise, the local turnover declined to N\$1.6 billion in the fourth quarter from N\$130 thousand at the end of the third quarter.

Chart 4.9 NSX Indices



Box B VIABILITY OF COMMERCIAL BANK BRANCHES IN RURAL COMMUNITIES IN NAMIBIA

This box article gives a summary of the study on the viability of bank branches in the rural areas. The Namibian financial system is relatively well developed in terms of institutions and instruments. Like most developing countries, the financial system is made up of formal and informal sectors. The formal sector consists of a central bank, commercial banks, development financial institutions, a savings bank and insurance companies and a stock exchange, while the latter comprises mainly of the micro lenders. The Namibian banking sector comprises of four commercial banks with a total of 101 branches as at the end of August 2003. The distribution of these branches is, however, heavily skewed in favour of urban centres, with only a few branches located in rural areas. In this study, the banking density ratio is used to measure the number of people to a bank. With a population to bank density of 456,704 Namibia ranks second among a number of SADC countries, after Botswana which comes first with a density of 322, 000 while South Africa comes in last with a density of 903,478.

However, when the ratio of population per bank branch is used the picture changes. Namibia with a population per bank branch ratio of 20,074 is ranked among the countries with the lowest banking density ratio in the region. This compares well with 11,326 people per bank branch in South Africa, the number one country in SADC judged by this criterion. The population to bank branch ratio varies largely from region to region within Namibia. Some regions have a population to bank branch ratio well below the national ratio of 20,074 while other regions exceed the national ratio by far. The regions that score relatively well with the population to bank branch ratio that is well below the national average, include the Karas, the Erongo, the Otjozondjupa, the Kunene and the Khomas regions. Out of this group, the Karas region has the lowest ratio of only 4,355, while the region with the highest ratio is the Kunene with a ratio of 17,056. It may be noted that the Khomas region, which is the economically most powerful region in the country, has a ratio of 13,174.

The regions with population to bank branch ratio that is above but close to the national are the Oshana, Oshikoto, Caprivi, and Omaheke regions. It may be noted that the ratio of the Oshana region stand at 20,247 which is actually above the national average, but at the same time is far from the worse performers. The regions that are worse off within this sub-cluster are the Oshikoto region, with a bank branch density ratio of 40,187, followed by Omaheke and Caprivi regions, with ratios of 33,748 and 26,617, respectively. Regions that are neglected in terms of the presence of bank branches include the Omusati, the Ohangwena and the Kavango regions. Of these three regions it may be argued that the Omusati region is most severely affected region

Box B VIABILITY OF COMMERCIAL BANK BRANCHES IN RURAL COMMUNITIES IN NAMIBIA (CONTINUED)

since there is no branch at all for a population of over 228 thousand. In terms of population size the Omusati region is second only to the Khomas region, which has a population of 250 thousand. This shows the disparity of distribution of bank branches within the Namibian context.

The study also consider the presence of other banking facilities, the situation does not change much. The regions identified as neglected in terms of bank branches essentially still remain the same. This is so, because the presence of ATM's generally goes together with the presence of bank branches or/and agency, i.e. wherever there is a bank branch or agency there is likely to be ATM/s. Furthermore, at the constituency level the analysis of the bank branch density ratio shows that even within a region the distribution of bank branches and other banking facilities are unevenly distributed. For instance, in Karas, the region with the lowest branch density ratio, most of the branches are located in the Keetmans Urban, Luderitz and Oranjemund constituencies. On the other hand, the Karasburg constituency has two branches while the Berseba constituency does not have a branch at all. In the Khomas region, Windhoek East constituency has a population to branch density of only 1,040, the lowest among all the constituencies in Namibia, while the Hakahana constituency with a population of 59,546 does not have a single branch. The Windhoek East constituency alone has 16 bank branches. All bank branches in the Oshikoto region are located in the Tsumeb constituency.

The survey revealed that there are sufficient economic activities that would enable bank branches to operate viably in the regions visited. For instance, in the Kavango region, we established that the Nkurenkuru town is the potential centre for a bank branch because of its high level of income, employment and economic activities. The centre also has good electrical, telecommunication and postal services. However, there is a lack of physical infrastructures such as buildings and the road from Rundu to Nkurenkuru needs to be upgraded to a tarred road.

The regional capital of the Omusati region, Outapi is only served by two agencies while the other constituencies do not have any banking facilities. It is also found that this town has at least adequate infrastructure, a high level of economic activities and employment. Thus, it is recommended that the current agencies to be upgraded into a fully fledged bank branches. It is also found that Eenhana which is the regional capital of the Ohangwena region is served by mobile agencies of other banks which comes only on Tuesdays and Thursdays with the exception of Bank Windhoek which has a branch there, as from 2004. This centre is one of the most

Box B VIABILITY OF COMMERCIAL BANK BRANCHES IN RURAL COMMUNITIES IN NAMIBIA (CONTINUED)

populated constituencies and has many government offices and small and micro enterprises. The income of the constituency is relatively high which lead to a high level of business activities. Hence, the paper recommends the agency to be developed into a fully fledged bank branch which provides all the services of a commercial bank. Nevertheless, like other rural towns Eenhana does not have good physical infrastructure especially buildings and well structured town planning.

In order to address some of the obstacles cited above the following strategies and incentives have been suggested. The central government, especially the Ministries of Education should promote entrepreneurship and business training at school and tertiary levels. Ministries of Home Affairs and Defence should play a leading role by improving the security condition for commercial banks in rural areas. The Ministry of Works, Transport and Communications in conjunction with the Local and Regional Councils should speed up the process of rolling out infrastructure in rural constituencies. Local and regional governments should consider making serviced business plots available to commercial banks. Local and regional governments should also consider donating buildings from which commercial banks can operate. In this regard, it is pleasing to note that the regional council at Eenhana has donated a building to First National Bank.

The Bank of Namibia should consider amending section 14 of the Banking Institutions Act that regulates the closing of bank branches. In this regard the Bank should aim to make it easier for commercial banks to close loss-making branches in over banked areas. This should be done on the condition that commercial banks should open a new branch in an unbanked rural area upon closure of a loss-making branch in an over banked urbanised area. In addition to amending section 14 of the Banking Institutions Act, the Bank of Namibia should introduce a new regulation that will tie the opening of new bank branches in urbanised centres to the corresponding opening of a new bank branch in an unbanked rural area. For instance, if a bank wants to open an additional branch in Windhoek, it should be allowed to do so only if it simultaneously opens a new bank branch in one of the identified unbanked rural areas that show potential for sustaining a bank branch. It is recognised, however, that such “a one to one scenario”, may be difficult to achieve, therefore, the study recommends that the opening of a new bank branch in an over banked urbanised centre be conditional upon meeting a minimum quota of bank branches in unbanked rural areas. Another measure the Bank could employ to extend bank branches to rural areas would be to entice credit unions/credit cooperatives to operate as community banks.

Box B VIABILITY OF COMMERCIAL BANK BRANCHES IN RURAL COMMUNITIES IN NAMIBIA (CONTINUED)

Furthermore, there is a need to encourage a smart partnership between public enterprises and the commercial banks. In this regard the Bank of Namibia could also play a role by promoting a forum where these institutions could meet to discuss how they could share for example existing infrastructure. Commercial banks should consider establishing a training fund separate from their internal training efforts that could be utilised for training as many Namibians as possible in banking studies. Preference should be given to Namibians living in rural communities. Finally, commercial banks should incorporate the extension of bank branches into their social responsibility programmes.

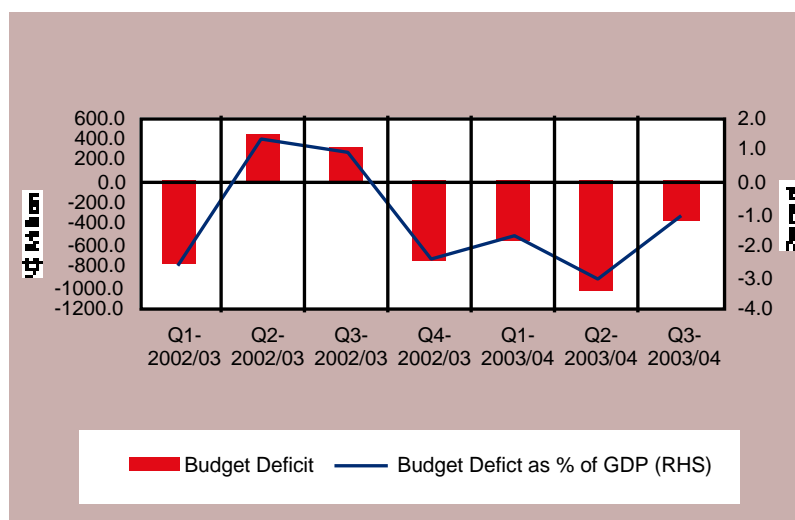
5. PUBLIC FINANCE⁴

5.1 DEFICIT FINANCING

Although budget deficit remained relatively high during the first two fiscal quarters of 2003/04 due to substantially lower-than-estimated diamond mining company tax receipts, that of the third fiscal quarter was smaller than the amounts recorded in the previous two quarters. The deficit is however, still higher when compared against the surplus of the corresponding quarter. The estimated budgetary imbalance was a budget deficit of N\$369.7 million⁵ or 1.0 percent of GDP (Chart 5.1). During the first nine months of the fiscal year 2003/04, the cumulative deficit was estimated at about N\$2.0 billion or 5.6 percent of GDP, surpassing both the current fiscal year's revised estimate of N\$1408.4 million and a deficit of 56.4 million for the corresponding period of 2002/03.

The absence of diamond mining company taxes in December⁶ 2003 largely shaped the above developments (fiscal stance). As a result, the balance on the State Account declined by 75.9 percent compared to the same period of 2002/03.

Chart 5.1 Quarterly Budget Deficit/Surplus



The budget deficit during the third fiscal quarter was financed mainly through the issue of treasury bills and stock from the domestic capital and bond market. This was supplemented by the cash balances from the State Account at the Bank of Namibia.

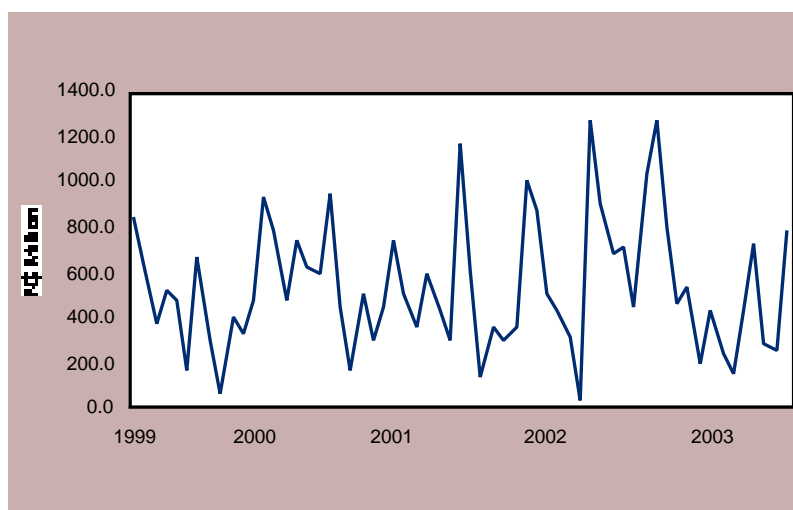
⁴ The Bank is unable to publish the monthly provisional figures of the Central Government operations this quarter, due to circumstances beyond its control.

⁵ The budget deficit/surplus was estimated with financing figures obtained from the books of the Bank of Namibia. These figures could differ from the actual deficit/surplus due to various reasons: cheques that are not presented for payment, cheques not yet in the cash-book of MoF, etc

⁶ Diamond mining company taxes are usually paid twice a year on 30th June and 31st December.

In the third fiscal quarter of 2003/04, the issue of treasury bills and stock revealed a downward trend in terms of the supply of Government securities as compared with the preceding quarter and the same quarter of last year. The Government total issues for the period amounted to N\$2.4 billion, down from N\$2.7 billion in the preceding quarter. Redemption amounted to N\$2.2 billion, which resulted in a net borrowing of N\$181.0 million as opposed to a high net borrowing of N\$1.1 billion recorded in the previous quarter. Short-term funds continued to account for the largest part of deficit financing, with 90.0 percent of the total issue represented by treasury bills during the quarter under review. In terms of sectoral allocation for T-bills, commercial banks dominated, taking up 87.5 percent of the total, while non-banking financial institutions took up 12.2 percent. The Internal Registered Stock took up the remaining 10.0 percent of the total government securities offered and also followed the same trend of commercial banks dominating the allocation. During the same period, the State Account at the Bank of Namibia fell by N\$186.0 million from N\$437.7 million at the end of September 2003 to N\$251.7 million at the end of December 2003 (Chart 5.2), reflecting the absence of diamond mining taxes, usually received in December of each year.

Chart 5.2 Monthly State Account Balances



5.2 CENTRAL GOVERNMENT DEBT

After a steep rise of 10.4 percent in the preceding quarter, growth in total central Government debt receded to a rate of 3.5 percent to N\$9.9 billion during the third fiscal quarter of 2003/04. The growth is however, high as compared against the decline of 1.2 percent recorded in the corresponding period of 2002/03 (Table 5.1). The slowdown in the growth of the total debt for the Government was predominantly attributed to the deceleration of domestic debt growth, which had been rising sharply in the first two fiscal

quarters of 2003/04. On the other hand, foreign debt expanded considerably on quarter-to-quarter basis in the period under review. As a ratio of GDP, the total central Government debt increased marginally to 28.4 percent from 28.0 percent in the previous quarter.

Table 5.1 Central government Debt

	2002/03		2003/04	
	Q3	% Change	Q3	% Change
A.1. Central Government				
External Debt	1478.6	-6.8	1601.4	12.5
2. Bilateral Loans	848.5	-6.5	899	9.5
3. Multilateral Loans	630.1	-7.4	702.4	16.6
4. Financial Institutions	0	0	0	0
5. Other	0	0	0	0
B.6. Central Government				
Domestic debt	6483.7	0.2	8368.5	2
7. T-Bills	3561.8	0	4841.2	-0.8
8. I.R.S.	2906.7	0	3527.3	6
9. BON	0	0	0	0
10. Other	0	0	0	0
C. Total Debt (A1+ B6)	7962.6	-1.2	9969.8	3.5
D. Total debt as % of GDP	24.8		28.4	

Source: MoF and BoN

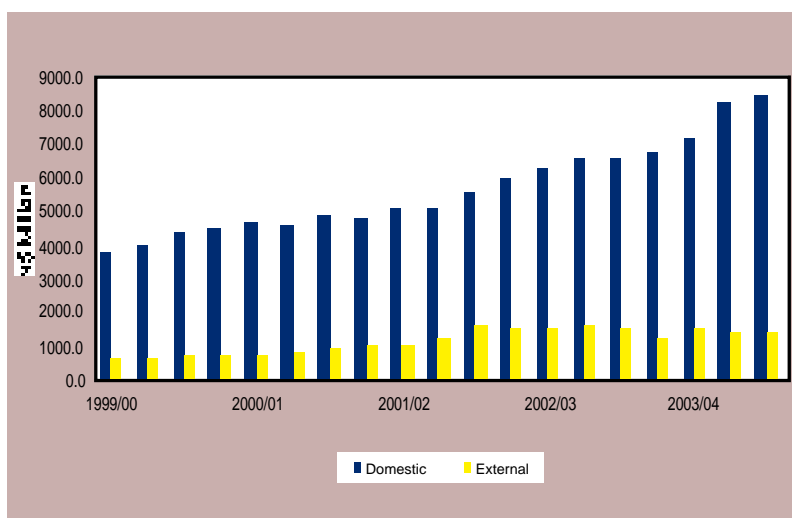
5.2.1 Domestic debt⁷

The central Government's stock of domestic debt increased moderately during the third quarter of 2003/04, rising by 2.0 percent to N\$8.4 billion when compared to the previous quarter (Chart 5.3). This indicates an improvement from the growth of 4.0 percent recorded in the previous quarter. The composition of domestic debt changed slightly where the share of stock (IRS) rose to 42.2 percent from 40.5 percent in the preceding quarter, whereas treasury bills fell from 59.5 percent to 57.8 percent. The moderate increase in the stock of domestic debt outstanding is reflected in a lower budget deficit of only 1.0 percent of GDP, which had to be financed during the third fiscal quarter of 2003/04. As a result therefore the ratio of domestic debt to GDP went up marginally to 23.9 percent from 23.4 percent in the previous period, implying that the domestic debt as a ratio of GDP is still above the MEFMI's⁸ 20.0 percent benchmark. Domestic debt's percentage share to total central Government debt amounted to 83.9 percent at the end of December 2003, a drop from 85.2 percent at the end of September 2003.

⁷ Domestic debt is recorded by the bank in nominal terms

⁸ MEFMI recommends a 20 (domestic debt) percent of GDP benchmark for the region after careful study and consultation with partners.

Chart 5.3 Central Government Debt



Source: MoF and BoN

5.2.2 External debt⁹

The outstanding external debt for the central Government expanded during the third fiscal quarter of 2003/04. External debt rose by 12.5 percent to N\$1.6 billion when compared to the contraction registered during the previous period. This is however, a slowdown to the growth recorded during same period of 2002/03. The expansion was primarily confined to the disbursement by some creditors notably the African Development Bank (ADB) for the Northern Railway Extension, European Investment Bank (EIB) for the Private Sector Global Loan II and the Development Bank of Southern Africa (DBSA) for the Windhoek Urban Infrastructure Project. As a ratio of GDP, external debt was up from 4.0 percent in the previous quarter to 4.6 percent. As a result, external debt's contribution to total central Government debt increased from 14.8 percent to a current level of 16.1 percent of the total debt.

Bilateral loans continue to constitute the biggest pie of the total external debt portfolio, accounting for 56.1 percent down from 57.7 percent and 57.4 percent in the previous and corresponding quarters, respectively. Multilateral loans increased its share slightly to 43.9 percent from 42.3 percent during the preceding quarter (Table 5.1).

The currency composition of external debt of the central Government essentially changed from the level in preceding quarter with the Rand increasing its share while the US Dollar declining. The major currency is still the Euro, consisting of 60.1 percent although is lower than the 63.5 percent recorded during the second fiscal quarter of 2003/04. The South African Rand continues to increase its share in total external debt portfolio with a contribution of 14.4 percent up from 8.6 percent during the preceding quarter. This was

⁹ Includes loans earmarked for on-lending to third parties

mainly caused by the increase in disbursements from the Rand's denominated loans. On the other hand, the share for the US Dollar came down from 8.7 percent to 6.3 percent. The Chinese Yuan rose to 9.2 percent (Table 5.2) from 7.8 percent in the past quarter.

Table 5.2 Currency Composition for External Debt (Dec 2003)

Currency	% Share
ADB Units Account	5.7
Swiss Francs	1.1
Yuan Renmibis (China)	9.2
Euro	60.1
Pound Sterling	1.4
Yen	0.3
Kuwaiti Dinar	0.1
USD	6.3
Special Drawing Rights	1.4
Rand	14.4

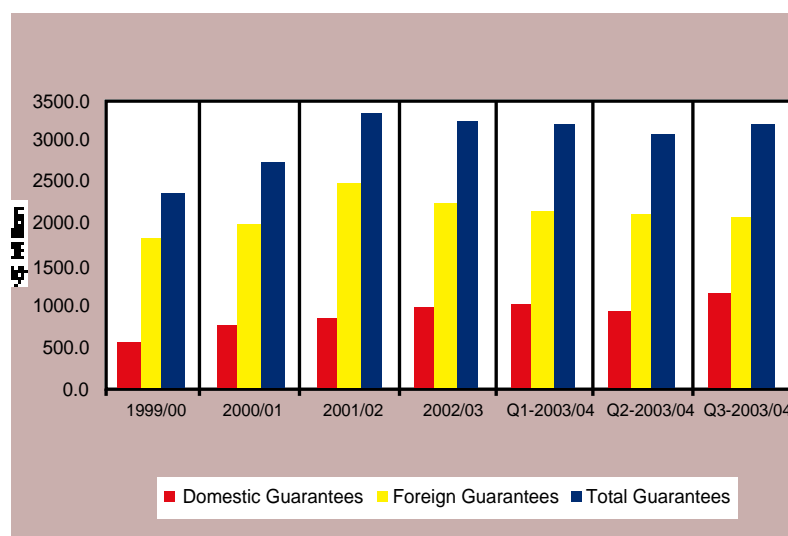
Source: BoN and MoF

5.3 CENTRAL GOVERNMENT LOAN GUARANTEES

During the third fiscal quarter of 2003/04 total loan guarantees issued by the Government reversed the downward trend experienced since the beginning of the first fiscal quarter of 2003/04. Total guarantees grew by 4.7 percent to N\$3.2 billion from N\$3.0 billion recorded at the end of the previous fiscal quarter (Table 5.3 and Chart 5.4). This caused the loan guarantees as a ratio of GDP to increase to 9.1 percent from 8.7 percent during the previous period. The increase is largely attributed to the growth of 21.5 percent in the stock of loans guarantees issued to domestic creditors. As a percent of the total, domestic guarantees took up 35.4 percent, up from 30.5 percent, at the end of the preceding quarter.

The position of foreign guarantees recovered from the high level of the preceding quarter primarily due to increased debt servicing by the creditors and partly as a result of the revaluation of outstanding foreign guarantees due to the appreciation of the Namibian Dollar. Foreign loan guarantees fell by 2.8 percent to 2.0 billion compared to the level during second fiscal quarter of 2003/04. As a percentage of the total, foreign guarantees contributed 64.6 percent, down from 69.5 percent registered in the preceding quarter. In relation to GDP, it also fell slightly from 6.0 percent in the second quarter of 2003/04 to 5.9 percent in the period under review.

Chart 5.4 Central Government loan guarantees



Source: MoF and BoN

Table 5.3 Central Government loan guarantees

	1999/00	2000/01	2001/02	2002/03	Q2 2003/04	Q3 2003/04
Domestic Guarantees	548	778.2	828.9	1004.8	934.3	1135.4
As % of GDP	2.6	3.2	2.9	3.1	2.7	3.2
Foreign Guarantees	1811.7	1974.2	2481	2221.6	2128.4	2069.7
As % of GDP	8.5	8.2	8.8	6.9	6.1	5.9
Total Guarantees	2359.8	2752.3	3309.9	3226.4	3062.7	3205.1
As % of GDP	11.1	11.4	11.8	10	8.7	9.1

Source: MoF and BoN

BOX C DEBT SUSTAINABILITY FOR THE CENTRAL GOVERNMENT

Namibia has been experiencing an increasing level of Government debt particularly the domestic component and this has raised concerns regarding the sustainability of fiscal policy in Namibia. At end of 2002/03 fiscal year, the Government debt stock to GDP ratio reached 25.2 percent, which is slightly above the 25.0 percent Debt/GDP ratio benchmark adopted by Cabinet and confirmed in the Medium Term Expenditure Framework. In addressing this issue, BoN conducted a study to determine the sustainability of the Central government debt and this is a summary of the aforesaid study.

The debt structure remains one of the worrisome component in recent policy debates. As at the end of August 2003, domestic debt formed 80.0 percent of total debt, of which 49.0 percent of domestic debt is short-term or maturing in less than a year. The concentration of Government debt into short-term maturity instruments exposes Government to the rollover risk and complicates cash flow management. As expected the increase in debt levels resulted in high interest and principal payments. This implies that a growing proportion of current resources is set aside for servicing debts, leaving fewer resources for non-debt related programmes and projects. The fiscal outlook indicates that Debt/GDP ratio could reach 29.0 percent by 2005/06.

The evolution and the sustainability of the debt-GDP ratio depend on the real interest rate on the debt, the real growth rate of the economy, the primary balance of the Government budget (the surplus or deficit excluding interest payments), and debt ratio in the last period. To evaluate the debt sustainability in Namibia the study used a simple algebra approach. Three broad scenarios were developed based on various assumptions. The scenarios are as follows historic, MTEF base line and MTEF worst-case scenario. The approach shows a sustainable fiscal stance of the Government debt stock for the two first scenarios while unsustainability was depicted in the assumed worst-case scenario. The analysis was further complemented by the use of the cointegration approach used by MEFMI in their research on debt sustainability. The MEFMI approach has shown that Government revenues and expenditures are co-integrated of order one, which implies that the budget deficit has been sustainable and will be sustainable at least in the medium term.

The debt-to-GDP ratio is still, however, projected to be above the recommended limit of 25.0 percent contained in the NDP 2 and MTEF. If the Government continues to accumulate debt at a faster rate and macroeconomic conditions deteriorate this may lead to unsustainable debt levels.

BOX C DEBT SUSTAINABILITY FOR THE CENTRAL GOVERNMENT (CONTINUED)

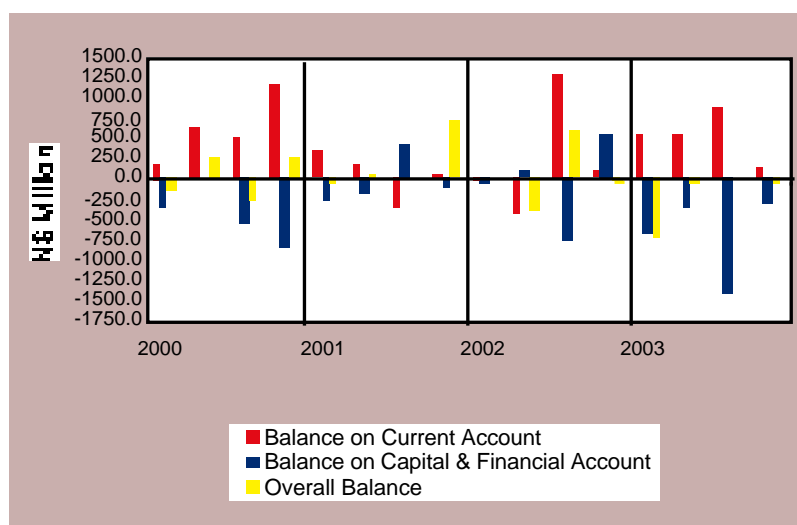
In order for the Government debt to remain sustainable, the study proposes some policies to address the future path of debt stock. The Government should try to remain below the agreed fiscal limits to leave room for maneuvering in difficult times. An optimal balance between external and domestic debt and the lowest possible funding source should be found.

In summary, it is important to note that high real interest rates and low real economic growth period are bad for debt sustainability. Therefore for the Government debt to remain sustainable, more efforts should be geared to increase economic growth.

6. FOREIGN TRADE AND PAYMENTS

The balance of payments for Namibia during the fourth quarter of 2003 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 deficit of N\$72.6 million in the overall balance of the balance of payments compared to a surplus of N\$5.9 million in the preceding quarter and a deficit of N\$37.0 million in the corresponding quarter of 2002 (Chart 6.1).

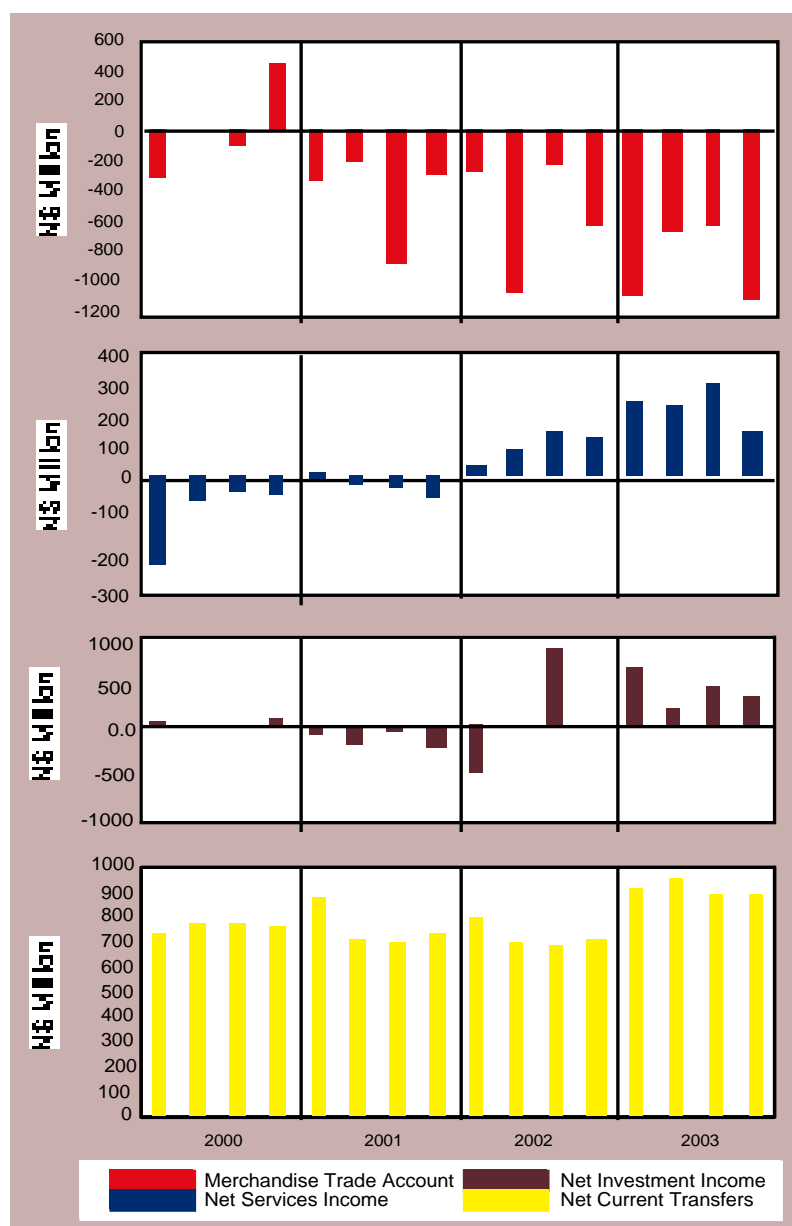
Chart 6.1 Balance of Payments Major Accounts



6.1 CURRENT ACCOUNT

The current account surplus during the quarter under review is estimated to have deteriorated to N\$269.3 million from N\$981.9 million and N\$211.9 million in the previous quarter of 2003 and corresponding quarter of 2002, respectively. The narrowing surplus in the quarter under review is a result of a widening deficit in merchandise trade and a decrease in net inflow in both investment income and the services account, which offset a slight increase in net current transfers (Chart 6.2).

Chart 6.2 Balance of payments: Current Account Sub-Accounts



The merchandise trade deficit increased by N\$472.7 million in the quarter under review to N\$1.1 billion compared to a deficit of N\$631.6 million in the previous quarter. It worsened slightly further by N\$478.7 million from N\$625.6 million in the corresponding period of the previous year. Contributing to the widening deficit in merchandise trade was a significant decrease in export receipts while expenses on imports increased further. The total export earnings declined by 15.1 percent from the level recorded in the preceding quarter to N\$2.3 billion in the quarter under review. However, it fell by 17.1 percent when compared to N\$2.7 billion in the corresponding period of the previous year. Total imports on the other hand, is estimated to have increased by 2.1 percent from N\$3.3 billion in the preceding quarter to N\$3.4 billion in the quarter under review. It has however, remained constant when compared to the corresponding quarter of the preceding year.

The decline in the merchandise exports in the quarter under review was a result of a substantial decrease in export earnings from diamonds, food and live animals that offset the increase in export receipts from manufactured products. The value of diamonds exported in the quarter under review decreased by 38.1 percent from N\$1.2 billion in the preceding quarter to N\$736.2 million. It however, decreased by a larger magnitude of 49.4 percent when compared with N\$1.5 billion in the corresponding quarter of 2002. The fall in the value of diamond exports in the quarter under review was mainly driven by the decline of 25.9 percent in the volume of diamond exports, which was further compounded by the effect of the appreciation of the Namibia Dollar.

Manufactured exports mainly zinc, fish, beer, soft drinks, ostrich leather and oil performed well in the quarter under review compared to some other items. Total export earnings of manufactured products increased by 25.3 percent to N\$901.1 million in the fourth quarter of 2003 from N\$719.3 million in the preceding quarter, and by a larger amount of 72.2 percent from N\$523.2 million in the corresponding quarter of 2002.

Food and live animals exported¹⁰, decreased to N\$289.2 million in the quarter under review from N\$390.8 million which is a 26.0 percent and a 16.9 percent drop when compared to the preceding quarter of 2003 and the corresponding quarter of 2002, respectively. Like diamond and other mineral products, receipts from this category, except the receipt from export of live animals to South Africa¹¹, have also been affected by the appreciation in the external value of the Namibian Dollar.

Exports of other primary commodities in particular non-precious mineral products viz, copper, lead, gold and unprocessed zinc decreased by 9.8 percent from N\$360.0 million in the preceding quarter to N\$324.8 million in the quarter under review. When compared to N\$384.7 million in the corresponding period of the previous year, a decline of 15.6 percent was recorded. The decline (year-on-year) was driven mainly by the effect of the appreciation of the Namibia Dollar against the major currencies during the fourth quarter of 2003.

The balance on the services account during the quarter under review is estimated to have declined to N\$159.0 million from N\$313.7 million in the preceding quarter. The main components contributing to the decline on net services inflow was a fall in net inflows in travel and an increase in net outflows in other private services. When compared to N\$135.9 million in the corresponding quarter of 2002, it however, increased by N\$23.1 million.

Net investment income in the quarter under review recorded a decline in the inflow from N\$420.5 million in the previous quarter to N\$332.2 million. The decline in the inflow compares much better to a net outflow of N\$5.4 million in the corresponding quarter of 2002. Contributing to this phenomenon was income receipts from Namibian investments

¹⁰ Consists of live animals, cattle cuts, small stock carcasses, canned beef, ostrich meat and bone meals, unprocessed fish, lobsters, crabs and grapes.

¹¹ The exchange rate between the Namibia dollar and South Africa Rand is fixed at one to one basis.

abroad, especially pension and insurance funds which offset outflows in retained earnings, dividend and interest payments to direct investors.

Net current transfers receivable in the fourth quarter of 2003 increased slightly to N\$889.3 million, from N\$886.1 million in the preceding quarter. This is due to the increase in both public and private transfers received. It has also, increased by N\$177.3 million when compared to N\$712.0 million in the corresponding quarter of 2002.

6.2 CAPITAL AND FINANCIAL ACCOUNT

The capital and financial account deficit is estimated to have improved from N\$1.4 billion in the preceding quarter to N\$314.5 million in the fourth quarter of 2003. The magnitude of the deficit in the fourth quarter of 2003 when compared with a surplus of N\$549.7 million in the corresponding quarter of 2002 is however significant; a turnaround from a surplus to a deficit. The main contributing factors to the narrowing deficit during the quarter under review were mainly the net inflows in direct investment in Namibia and other short-term investment, which offset net outflows in portfolio investment and other long-term investment (Chart 6.3).

Direct investment into Namibia in the fourth quarter of 2003 recorded an inflow of N\$184.5 million compared to an outflow of N\$288.4 million in the preceding quarter and an inflow of N\$200.2 million in the corresponding quarter of 2002 (Chart 6.3). Investment in equity capital supported by reinvested earnings and other capital contributed to this outcome.

Similarly, direct investment abroad increased by N\$64.6 million from a disinvested amount of N\$14.0 million in the preceding quarter to N\$50.5 million in the quarter under review. However, direct investment abroad has increased even more recording an increase of N\$68.8 million from N\$18.3 million in the corresponding quarter of the preceding year.

The net outflow in portfolio investment in equity and debt securities widened to N\$581.8 million from N\$466.9 million in the preceding quarter. However, when compared with net outflow of N\$533.8 million in the corresponding quarter of the previous year the magnitude narrowed (Chart 6.3). The continuing outflows in this component, is caused mainly by investment in the South African Unit trusts by Namibian residents.

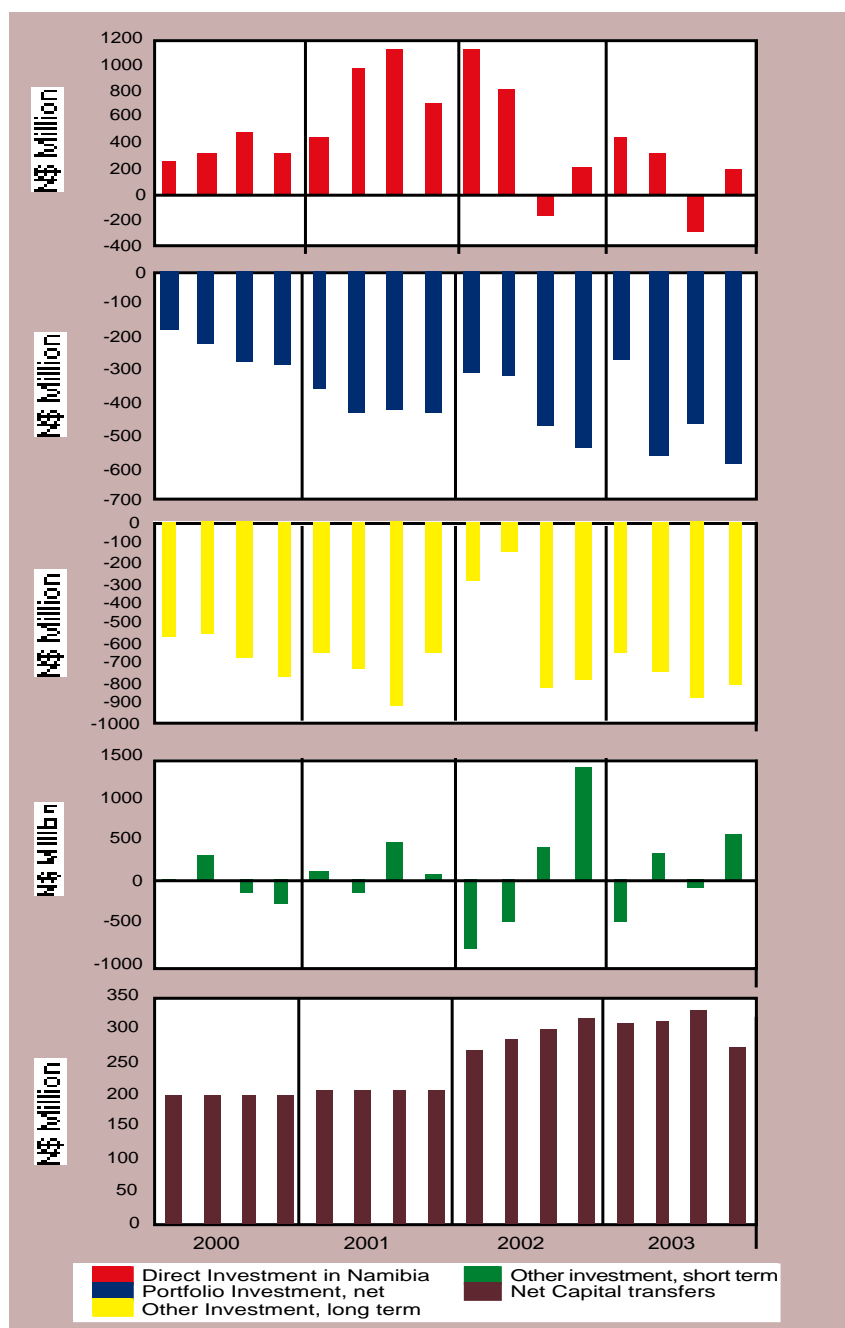
Net outflows of other long-term investment decreased to N\$811.0 million in the quarter under review from N\$880.5 million in the preceding quarter and N\$791.4 million in the corresponding quarter of the previous year. Transactions related to insurance corporations and pension funds continue to dominate as main components, causing the decrease in net outflow of other long-term investment. Further, the increase in drawings on loans received by government also contributed to this outcome.

Net short-term investment, in the quarter under review, turned around from a net outflow of N\$104.9 million to a net inflow of N\$575.9 million. However, this inflow during the quarter under review was lower when compared to the net inflow of N\$1.4 billion in the

ECONOMIC DEVELOPMENTS

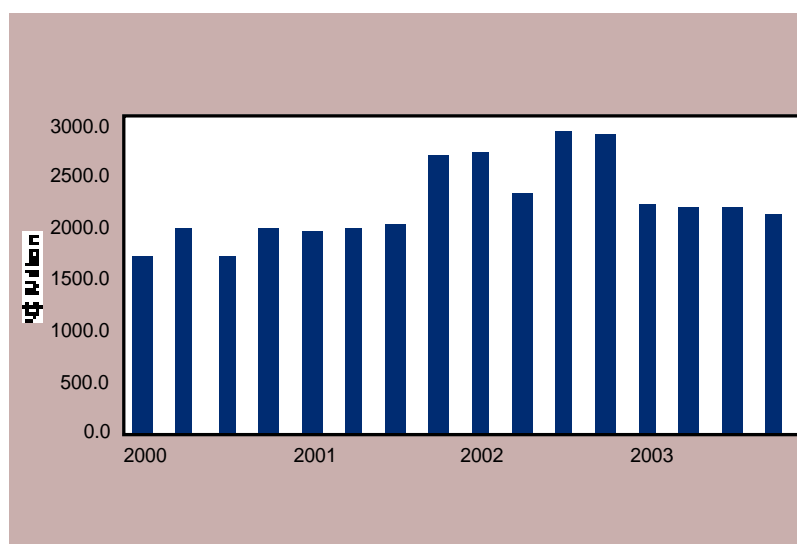
corresponding quarter of the previous year. This net inflow in short-term investment can be attributed to the increase in demand for credit in Namibia witnessed during the quarter under review. Demand for credit led to commercial banks decreasing their foreign assets while increasing their foreign liabilities with their foreign based parent companies.

Chart 6.3 Capital and Financial Account Sub-Accounts



In summary, the total stock of international reserves in Namibia Dollar at the end of the fourth quarter of 2003 decreased to N\$2.1 billion from N\$2.2 billion at the end of the third quarter and N\$2.9 billion at the end of the corresponding period in the preceding year (Chart 6.4). The decline was however more pronounced after the international reserves was adjusted for the effect of other valuation changes especially the exchange rate.

Chart 6.4 Stock of International Reserves

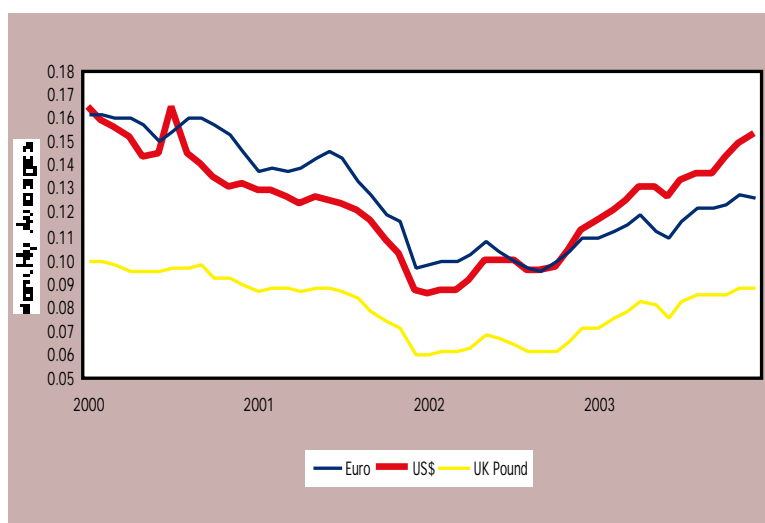


6.3 EXCHANGE RATES¹²

In the fourth quarter of 2003, like in the previous quarters of the same year, the Namibia Dollar continued to appreciate month-on-month against major international currencies, viz the US Dollar, Pound sterling and Euro (Chart 6.5).

¹² The Namibia Dollar (NAD) trade one to one against the South African Rand (ZAR) and therefore is referred to interchangeably. The rates being referred to are mid rates in foreign cents, unless mentioned otherwise. The rates referred to in this section are period averages for the respective exchanges rates.

Chart 6.5 Foreign Currency Per Namibia Dollar



During the fourth quarter of 2003 the Namibia Dollar appreciated on average (month-on-month) by 3.9 percent, 1.1 percent and 0.9 percent against the US dollar, Pound Sterling and euro, respectively while appreciating quarter-on-quarter by 10.1 percent, 4.1 percent and 4.2 percent against the US Dollar, Pound Sterling and Euro, respectively. The appreciation witnessed in the external value of the Namibia Dollar during the period under review could be explained, amongst other factors, by the weakening external value of the US dollar, the strong commodity prices, especially gold and platinum, and the continued high real interest rate differentials between South Africa and her major trading partners.

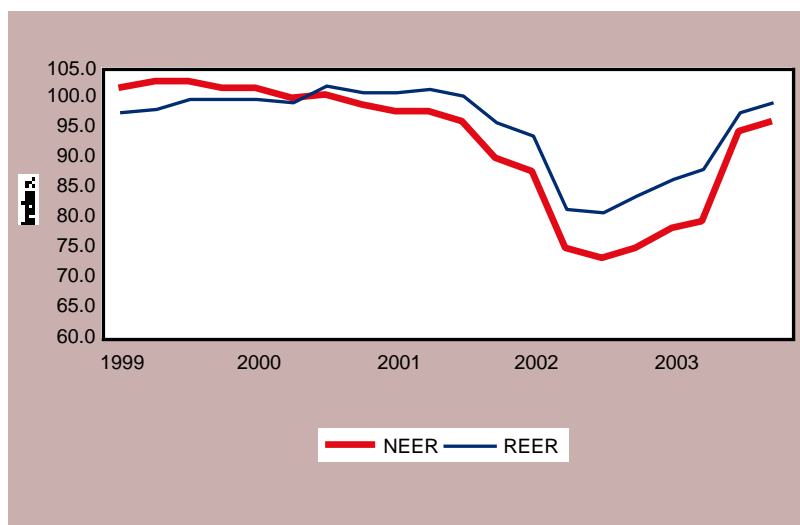
The Namibia Dollar, however, depreciated month-on-month against the major currencies in December 2003, and this trend continued in the first quarter of 2004. By January 2004, the Rand/N\$ had depreciated month-on-month to trade at N\$6.9179 against the US dollar, N\$12.5935 against the Pound Sterling and N\$8.7263 against the Euro, compared to N\$6.5159 against the US Dollar, N\$11.3073 against the Pound sterling and N\$7.9904 against the Euro in December 2003.

6.3.1 Trade Weighted Effective Exchange Rate ¹³

On a trade-weighted front, the nominal effective exchange rate index (neer) appreciated, quarter-on-quarter, by 1.1 percent in the quarter under review. The real effective exchange rate index (reer), which is a measure of competitiveness of products in international markets appreciated over the same period by 1.3 percent (Chart 6.6). This implies, that Namibian products exported could have lost competitiveness in international markets by approximately that magnitude. When compared with the corresponding quarter of 2002, the neer appreciated by 1.3 percent while the reer appreciated by 1.2 percent.

¹³ The index is based on a geometric formula and the exchange rate is defined indirectly.

Chart 6.6 Trade Weighted Effective Exchange Rate



BANK OF NAMIBIA
RESEARCH DEPARTMENT
REVISIONS POLICY: BALANCE OF PAYMENTS

- i. Each quarter, with the publication of the latest quarter's statistics, the previous quarter will be revised for improved data.
- ii. Revisions to earlier years, along with any revisions due to changes in the methodology (data source, estimation techniques) will be introduced once each year, with the publication of the statistics for the first quarter.
- iii. The revisions will be clearly identified, and information will be available on the reasons for the revisions (please see write up on revisions).
- iv. This policy will be published in each quarterly bulletin as well as in the annual report so that all users will be aware of the policy, and in addition will be able to easily identify these revisions.
- v. For each quarter, a record will be kept of the provisional figures, and the first and second published figures, and a comparison will be made. This will provide information on the reliability of the provisional estimates when these are compared with the final estimates for each period (as well as with any intermediate published estimates).

REVISIONS ON QUARTERLY BALANCE OF PAYMENTS DATA FOR Q3-2003

There have been some revisions on the balance of payments data for the third quarter of 2003 relative to December 2003 Quarterly Bulletin (Volume 12 Number 4). Apart from the revisions brought about by the availability of information that was not available at the time the December Quarterly Bulletin was compiled, some revisions were also brought about by either additional data that became available or the availability of a better source. The non-availability of some of the data when the December 2003 Quarterly Bulletin was compiled led to the estimations made on certain balance of payments items.

It is against this background that the revisions were done on the two main accounts of the balance of payments viz, the current account and capital and financial account. On the current account, revisions were effected on investment income and current transfers to Namibia, while on the capital and financial account, revisions were done on direct investment in Namibia and on both the other long and short-term investment. Such revisions caused the discrepancies between the figures published in the December Quarterly Bulletin for the third quarter and those indicated in the March 2004 Quarterly Bulletin as reflected on a net basis in table 6.1 below.

Table 6.1 Balance of Payments Revisions (N\$ Million)

	Third Quarter December 2003 Quarterly Bulletin	Third Quarter March 2004 Quarterly Bulletin
Current Account		
Investment income, net	397.9	420.5
Current transfers, net	896.9	886.1
Capital and Financial Account		
Direct Investment in Namibia	-265.5	-288.4
Other long term investment, net	-1035.8	-880.5
Other short term investment, net	17.3	-104.9

7. SPEECHES

Governor's Annual Address, 19 November 2003

The Role of the Central Bank in the Economy

Presented by Mr Tom K. Alweendo

I would like to welcome all of you to our annual address. For the last five years, the Bank has made use of this opportunity to share some economic information with its stakeholders. Tonight, I will discuss the role and contribution of the central bank in the economy with particular emphasis on monetary policy and financial stability. However, before I do that, I would like to share with you some information on recent developments on the global economy.

It appears that global economic recovery is under way at last. The latest economic data from the US, being the biggest world economy, is more convincing, and economic activity in Asia is relatively brisk. There is also a sense of improved optimism both in Europe and the Euro area as a whole. It therefore seems likely that we will obtain robust growth figures on a global level in the near future. With respect to the domestic economy, we have seen the decline in the monthly inflation rate coming down to 3.8 per cent in October, from 12.8% in January of this year. At the same time we have experienced a strengthening of the exchange rate. With the appreciating exchange rate, there are some economic entities that are impacted positively or negatively. Generally, given the fact that Namibia is a net importer, a strengthening exchange rate should be preferable over a weakening one, although some people may argue otherwise. On the prospects for economic growth, available data indicate that the economy is heading for positive performance, though slow, driven by the primary sector especially mining. The low interest rate is also expected to boost business activities.

Coming back to tonight's topic, the choice of my theme is informed by the desire for our stakeholders to fully understand the Bank's role in relation to the economy. You will appreciate that more often than not there are public misconceptions about the role of the central bank in the economy. These range from the belief that the Central Bank should offer retail banking services just like any commercial bank, to another idea that the Central Bank has a magic to move the economy in one direction or the other. Central banks all over the world are to be blamed for this misconstrued understanding of their roles. Historically, central banks came to believe that in order to be effective in what they did, they were supposed to say as little as possible to the public. That culture of non-communication is still to some extent being practiced, although at a lesser degree. We at the Bank of Namibia are hard at work to change that culture, and hence tonight's theme.

Monetary policy is at the heart of any central bank and it is concerned with the terms and conditions under which money and credit are provided to the economy. Interest rate is a

principal instrument for monetary policy. By definition, interest rate is the cost of money; and therefore the conduct of monetary policy involves the manipulation of interest rate upward or downward. Since money represents purchasing power, it ought to be reasonably well linked over time with the nominal value of the total spending and output of goods and services in the economy. Individuals and companies choose to hold money because its use greatly simplifies a wide range of economic transactions. On the other hand, they limit their money balances because holding money has costs in the form of forgone opportunities for alternative investments. The amount of money that is consistent with the goals for prices and output will depend upon factors such regulations and the political environment of the economy. If these are stable, the relationship between money and the economic activity will tend to be stable as well. Monetary growth in excess of what is needed to support sustainable growth in economic activities is not desirable since it generally leads to the general increases in the levels of prices.

At the risk of stating the obvious, the best way how monetary policy can contribute to growth in output and employment is to improve the long term growth potential by maintaining low levels of inflation. The objective of keeping inflation low stems from the belief that higher inflation generates harmful effects on the economy. In particular, higher growth rates and employment cannot be generated in the long term in the presence of high inflation. Under a high and unstable inflation environment, cash flow projection is highly uncertain leading to increased investment risks. Since inflation erodes the purchasing power, it affects the level of savings by discouraging individuals and business to save. Keeping inflation low and stable is, thus, essential to keep the economy on the path for long-term growth and employment creation. Low and stable inflation allows people to make spending and investment plans with a greater sense of confidence about the future. This helps to encourage the long-term investment that contributes to the growth of the economy, which brings real improvements in our standards of living.

The conduct of monetary policy in Namibia is dictated by our choice of exchange rate. We have chosen a fixed exchange rate arrangement where the Namibia dollar is fixed to the South African rand. The overall result of this arrangement is that we have no monetary policy autonomy and that our inflation is tied to that of South Africa. I do not intend to go into the details of the current exchange rate arrangement since I have discussed that part on various occasions. What I can say is that the current exchange rate arrangement has provided us with the necessary nominal anchor for inflation. In other words, the arrangement ensures that Namibia's (imported) inflation is anchored to a low level inflation country with a relatively stable currency. Available data clearly indicate that in both Namibia and South Africa the level of inflation has been declining recently from double digits recorded last year to a single digit at the present. Although the decline is partly due to the appreciation of the exchange rate, a major contributing factor is a clear commitment to low inflation by South Africa that has been strengthened by the adoption of the inflation targeting framework. From this perspective, there is no doubt that our current pegged exchange rate system remains very relevant and most appropriate for our economy in ensuring a stable macroeconomic environment.

I would now like to move onto the role of financial stability in the growth process. Appreciably, financial stability has taken a centre stage on the agendas of central banks following the recent crises in various financial systems, notable the East Asian crisis of 1997 and Argentina 2002, which led to the failure of several financial institutions. Contagion, leading to difficulties in capital flows caused financial instability that spread to several emerging market economies coupled with negative spill-over effects on the economies of these countries. Clearly, the combinations of these events make financial stability a top priority for central banks including the Bank of Namibia. In fact, all central banks the world-over are now regarding financial stability as one of their core functions.

A stable financial system is not only able to allocate resources efficiently but is also capable of absorbing and withstanding crises and reducing their disruptive effects on the real economy. Financial stability is, thus, a necessary condition for robust economic performance and development. If depositors and investors were going to save more and invest more in Namibia, they would only do that if they have trust and confidence in the financial system and in those charged with the custodianship of savings and investment.

Financial stability is also critical for the further development and deepening of the financial sector. This is even more important for a country like Namibia where the majority of the population do not have access to financial services. The importance of a deepened financial system is that it stimulates economic growth by lowering the cost of financial intermediation and by increasing both the range and variety of financial instruments available to savers and investors. Empirical evidence shows that a well developed financial system is also able to mobilize and channel savings more effectively to productive investments. Such investments should result in sustainable growth levels, which are needed desperately in Namibia if the country is ever to reduce the twin evils of poverty and income inequality that characterize our society.

As a supervisor of banking institutions, our duties are twofold. First, our role is that of prevention where we promote stability in the banking sector by encouraging banks to manage their risks appropriately in order to ensure that proper safeguards are in place that limits the banks' vulnerability. We should also be mindful that the primary responsibility for the safe and sound operation of a banking institution rests with its board of directors and senior management. In this respect, competent and capable leaders in any bank, which is supported by skilled employees and a robust system of risk management processes and controls, make up the first line of defence against financial instability within any institution and the economy at large.

The second duty as a supervisor is to assist in the resolution of problems when they do occur, as they do, so that banks can continue to serve as intermediaries of credit, which is the lifeline of any economy. Recent events of banking crises has taught us that when disaster looms, prompt and decisive supervisory action is imperative to containing the damage that severely troubled banks can wreak on the economy. It is during those times that supervisors are called upon to restore confidence quickly so that consumers and

businesses do not lose access to credit necessary for the economy to grow.

In developing regulations and practices that help to prevent financial crisis, we as supervisors, must not lose sight of the inherent self-interest that banks have to retain the public's confidence by maintaining safe and sound operations. No responsible bank seeks to fail, and no responsible bank would willingly engage in practices that would cause the market to doubt its long-term viability.

Consequently, our role as regulators should not limit the banks' opportunities for growth and profit. Instead, it should help banks to improve continuously their abilities to manage their businesses and their risks in the interest of financial stability. At the same time, if we are to encourage responsible behaviour, we must not create the illusion that we will rescue every institution that fails.

At the Bank of Namibia, our efforts over the years have been geared towards safeguarding the stability of the financial system through a combination of measures related to monetary policy, reserve management, bank supervision and payments and settlement systems. We should all be proud that Namibia has a sound bank supervision regime such that our banking institutions are sound and well-capitalized. Healthy financial institutions are important catalysts for investment and maintenance of investors' confidence in the economy. A well-capitalized banking system is essential to weather downturns in the economic climate. There is no doubt that the economies of industrialized countries would not have survived the recent series of economic shocks without significant financial turmoil, had their banks not built up adequate capital. In emerging markets, which often face an even more volatile environment, a sound bank supervision regime and adherence to the international best standards are even more important.

In the area of payment systems, the Bank of Namibia in collaboration with the domestic banking institutions, have made significant progress on reforming and modernizing the national payment system with the objective of ensuring its soundness, safety, efficiency and integrity. These reforms entail the introduction of the real-time settlement system at BON, which is a modern and most secured way of concluding financial transactions, thus putting Namibia at the forefront of modern payment systems in Africa. The second significant reform initiative was the automation of the clearing process, which is expected to bring a number of benefits including the reduction in the period within which cheques are cleared from three weeks to less than 7 days, thus reducing risks and facilitating transactions. This process will be completed in 2003. There is no doubt that all these efforts have contributed and will continue to contribute towards the overall stability of the financial system and consequently economic growth.

I would like to conclude by saying that yes the central bank has an important role to play in the economy. It is an influential institution with the capacity to impact on the lives of a country's citizens. If a central bank had to allow the banking system to become unstable, the damage that can be done in terms of jobs lost and savings can be enormous.

Hence, it is of essence for the stakeholders to understand and appreciate the Bank's efforts. From the side of the Bank, it calls for total dedication to duty and to take decisions that are informed by good reasoning and total transparency. This is what we have been doing at the Bank of Namibia.

I thank you.

8. STATISTICAL APPENDIX

8.1 Methods and Concepts

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.

3-Month BA rate

The interest rate on a time draft (bill of exchange) drawn on and accepted by DMC's 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 DMC's.

Banking Survey

The Banking Survey is a consolidation of the Monetary Survey and the accounts of Other Banking Institutions.

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 M1 plus time and savings deposits of the non-bank private sector.

Budget proposal or estimates

A request presented by the executive to the legislature or legislating executive council for spending authority, accompanied by an estimate for expected revenue whose collection must also be authorised in some countries. The request may be subject to revision by the legislature, which can be unlimited or limited by such constitutional provisions as the requirement that revenue be increased to match any increase in the expenditure.

Budget year

The period of time for which a budget makes appropriations. Actual allocations, commitments, deliveries, and payments for particular budget's expenditure programs may extend well past the year in which they were originally appropriated. In some budgetary systems, assignments of such transactions to the budget of original appropriation may continue for years. In others, such assignment back to the original budget year may not exist or may be limited to a complementary period of relatively short duration. For purposes of this definition, government receipts and payments should be included in the time period in which they actually take place rather than being assigned to the budget year in which they were authorised.

Capital expenditure

Expenditure for acquisition of land, intangible assets, government stocks, and non-military, no financial assets, of more than a minimum value and to be used for more than one year in the process of production; also for capital grants. Capital expenditure is frequently separated (in some cases along with certain revenue) into a separate section or capital account of the budget or into an entirely separate budget for capital expenditure that is the capital budget. This separation may sometimes follow different criteria, however.

Capital grants

No repayable, unrequited transfers received by government from governments or international organisations for the purpose of financing the acquisition of no financial capital assets by the recipients, compensating the recipients for damage or destruction of capital assets, or increasing the financial capital of the recipients. The term grant is used to refer only to transfers between governments or international organisations.

Capital revenue

Proceeds from the sale of non-financial assets, including land intangible assets, stocks, and fixed capital assets of buildings, construction and equipment of more than a minimum value and usable for more than one year in the process of production, and receipts and unrequited transfers for capital purposes from non-governmental sources.

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, financial derivatives 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).

Central government

All government elements that are agencies or instruments of the central authority of a country whether covered in or financed through ordinary or extraordinary budgets or extra-budgetary funds. This includes funds at the central government level, decentralised agencies, departmental enterprises, social security funds operating at national level and relevant nonprofit institutions attached to the central authority and geographical extensions of central government authority that may operate at regional or local levels without the attributes necessary for existence as a separate government.

Current Account Balance

The current account of the balance of payments covers all transactions (other than those in financial items) 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 expenditure

Expenditure other than for capital transfers or the acquisition of land, intangible assets, government stocks, or non-military durable goods of greater value than a minimum amount and to be used in the process of production for more than a period of one year.

Current expenditure is frequently separated (in many cases along with current revenue) into a separate section or current account of the budget or into an entirely separate budget for current expenditure, that is, the current budget.

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.

Current revenue

All revenue from taxes and from non repayable or non repaying receipts other than grants, from the sale of land, intangible assets, government stocks, or fixed capital assets, or from capital transfers from non-governmental sources.

Debt

The outstanding stock of recognised, direct liabilities of the government to the rest of the economy and the world generated by government operations in the past and scheduled to be extinguished by government operations in the future or to continue as perpetual debt. This excludes intra-governmental or intergovernmental debt of the sub sector or sector of government being measured, currency issues and other monetary authorities debt, dormant or repudiated debt not being serviced, and any floating debt of unpaid obligations.

Deficit or surplus

The deficit or surplus is defined as revenue plus grants received less expenditure less lending minus repayments. The deficit or surplus is also equal, with an opposite sign, to the sum of net borrowing by the government, plus the net decrease in government cash, deposits, and securities held for liquidity purposes.

Demand Deposits

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

Deposit Money Banks (DMB's)

These are financial intermediaries, which incur as their primary activity liabilities in the form of deposits that are freely transferable on demand without penalty and freely usable as a means of payment. There are currently four financial intermediaries classified as financial intermediaries in Namibia, i.e. First National Bank of Namibia, Standard Bank of Namibia, Commercial Bank of Namibia and Bank Windhoek.

Deposit Rate

The deposit rate refers to the weighted average deposit rate of the DMB's i.e. the rate that DMB's declare on time deposits.

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.

Dual-listed Companies

Refer to those companies listed and trading on a foreign stock exchange, such as the Johannesburg Stock Exchange as well as on the NSX.

Expenditure

All non-repayable and non-repaying payments by government, whether required or unrequired and whether for current or capital purposes. Expenditure is shown net of recoveries on past expenditure and net of other adjustment transactions. It is otherwise shown gross with the exception of departmental enterprises' transactions, for which sales to the public are offset against corresponding operating expenditures.

Financing

The means by which a government provides financial resources to cover a budget deficit or allocates financial resources arising from a budget surplus. It includes all transactions involving government liabilities other than for currency issues or demand, time, or savings deposits with government or claims on others held by government for purposes of liquidity rather than public policy objectives, and changes in government holdings of cash and deposits.

Fiscal year

The regular annual budget and accounting period for which provision of revenue and expenditure is made, and for which accounts are presented, excluding any complementary period during which the books may be kept open after the beginning of the next fiscal period.

General government sector

The combination of all government units operating in a country, and hence constituting one of the five institutional sectors in a country's economy. The sub sectors that may comprise the general government sector are (1) central government; (2) state, provincial, or regional governments; (3) local governments including municipalities, school boards, etc.; and (4) any supranational authorities exercising tax and governmental expenditure functions within the national territory. Social security funds form a part of the level of government at which they operate. No financial public enterprises and public financial institutions do not form a part of general government.

Goods

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

Government

A generic term applying to all instrumentalities of the public authorities of any territorial area or its parts, established through political processes, exercising a monopoly of compulsory powers within the territorial area or its parts, motivated by considerations of public purposes in the economic, social, and political spheres, and engaged primarily in the provision of public services differing in character, cost elements, and source of finance from the activities of other sectors. For the purpose of this definition, government embraces (1) the primary non-commercial functions of its various parts, agencies, and instrumentalities; (2) social security arrangements for large sections of the community imposed, controlled or financed by the government; (3) pension funds of government employees whose reserves are invested entirely with the employing government; (4) a limited range of unincorporated industrial activities encompassing either ancillary functions, that is, meeting internal government needs, or selling of the public, but on a smaller scale; (5) a limited range of financial bodies comprising lending bodies deriving all their funds from government and savings bodies automatically channelling to government the proceeds of liabilities to the public in forms other than demand, time, or savings deposits; (6) other nonprofit institutions serving households or business enterprises which are wholly, or mainly, financed and controlled by the public authorities or which primarily serve government bodies; (7) the operations within the country of any supranational authorities empowered to levy taxes in the territory of more than one country.

Grants

Unrequited, no repayable, non-compulsory payments between governments or international institutions. The term is sometimes also used to refer to transfers of this nature made by government to all types of recipients. In determination of the deficit/surplus, by this definition, grants are grouped with revenue and expenditure rather than with financing.

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 other investment 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.

Lending Rate

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

Local Market

Only local (Namibian) companies listed on the NSX.

Market Capitalisation

The number of shares issued by a company times the latest share price.

Market Turnover

Volume of shares traded on the NSX times the latest share price.

Market Volume

The number of shares traded on the NSX.

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.

Monetary Survey

The Monetary Survey consolidates the accounts of the Bank of Namibia and the Deposit Money Corporations.

Money Market Rate

The money market rate refers to the inter-bank rate; the rate at which DMB'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.

Narrow Money Supply (M1)

Narrow Money Supply (M1) is defined to include currency in circulation and demand deposits held by the non-bank private sector.

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 Banking Institutions (OBI's)

These are financial intermediaries with liabilities in the form of deposits that may not be readily transferable, but are close substitutes. Currently three such institutions are covered, i.e. Agribank of Namibia, National Housing Enterprise and the Namibia Post Office Savings Bank.

Other Investment

Other investment covers all financial instruments other than those classified as direct investment, portfolio investment, financial derivatives 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.

Overall Market

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

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.

Prime rate

The rate of interest charged by Namibian Deposit Money Banks (DMC's) for loans made to its most credit-worthy business and industrial customers; it is a benchmark 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 expected rate of inflation for Namibia, is the real rate.

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.

Revenue

All non-repayable and non-repaying receipts, whether required or unrequired, other than those non-compulsory, non-repayable and non-repaying, unrequired receipts which come from other governments, domestic or foreign and international institutions. Revenue is shown net of refunds and other adjustment transactions. Revenue is otherwise shown gross except for the proceeds of departmental enterprise sales to the public, which is netted against the corresponding operating expenditures.

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Table I.I AGGREGATE ECONOMIC INDICATORS

	1998	1999	2000	2001	2002
Current Prices					
GDP (N\$ million)	18789	20684	23690	27333	30101
% Change	12.2	10.1	14.5	15.4	10.1
GNI (N\$ million)	19273	20578	23920	27324	30693
% Change	13.0	6.8	16.2	14.2	12.3
GDP per capita (N\$)	10736	11459	12723	14664	15751
% Change	8.7	6.7	11.0	15.3	7.4
GNI per capita (N\$)	11013	11401	12846	14659	16061
% Change	9.5	3.5	12.7	14.1	9.6
Constant 1995 Prices					
GDP (N\$ million)	14115	14591	15100	15457	15960
% Change	3.3	3.4	3.5	2.4	3.3
GNI (N\$ million)	15475	15486	16606	17539	18652
% Change	5.8	0.1	7.2	5.6	6.3
GDP per capita (N\$)	8066	8083	8110	8292	8351
% Change	0.1	0.2	0.3	2.2	0.7
GNI per capita (N\$)	8843	8579	8918	9409	9760
% Change	2.5	-3.0	4.0	5.5	3.7

Source: Central Bureau of Statistics

Table I.2 GROSS DOMESTIC PRODUCT AND GROSS NATIONAL INCOME

	1998	1999	2000	2001	2002
Current prices - N\$ million					
Compensation of employees	7800	8307	9352	10320	10999
Consumption of fixed capital	2482	2851	3103	3558	3943
Net operating surplus	6325	6912	9174	11009	12464
Gross domestic product at factor cost	16608	18069	21629	24887	27406
Taxes on production and imports	2332	2771	2671	3109	3248
Subsidies	-151	-156	-610	-663	-552
Gross domestic product at market prices	18789	20684	23690	27333	30102
Primary incomes					
- receivable from the rest of the world	1014	1129	1721	1704	1865
- payable to rest of the world	-530	-1235	-1491	-1714	-1273
Gross national income at market prices	19273	20578	23920	27323	30694
Current transfers					
- receivable from the rest of the world	2492	2906	3272	3297	3255
- payable to rest of the world	-249	-363	-262	-312	-321
Gross national disposable income	21515	23120	26930	30308	33628
Current prices - N\$ per capita					
Gross domestic product at market prices	10736	11459	12723	14664	15751
Gross national income at market prices	11013	11401	12846	14659	16061
Constant 1995 prices - N\$ million					
Gross domestic product at market prices	14115	14591	15100	15457	15960
- Annual percentage change	3.3	3.4	3.5	2.4	2.3
Real gross national income	15475	15486	16606	17539	18652
- Annual percentage change	5.8	0.1	7.2	5.6	6.3
Constant 1995 prices - N\$ per capita					
Gross domestic product at market prices	8066	8083	8110	8292	8351
- Annual percentage change	0.1	0.2	0.3	2.3	0.7
Real gross national income	8843	8579	8918	9409	9760
- Annual percentage change	2.5	-3.0	4.0	5.5	3.7

Source: Central Bureau of Statistics

Table I.3 NATIONAL DISPOSABLE INCOME AND SAVING

Current prices - N\$ million	1998	1999	2000	2001	2002
Disposable income and saving					
Gross national disposable income	21515	23120	26930	30308	33627
Consumption of fixed capital	2482	2851	3103	3558	3943
Net national disposable income	19033	20269	23827	26750	29684
All other sectors	13556	14009	17426	20087	22966
General government	5477	6261	6401	6663	6718
Final consumption expenditure	16740	18509	21026	23498	25371
Private	11185	12240	14196	16082	17717
General government	5555	6268	6830	7416	7654
Saving, net	2293	1760	2801	3252	4313
All other sectors	2370	1768	3230	4005	5249
General government	-78	-8	-430	-753	-936
Financing of capital formation					
Saving, net	2293	1760	2801	3252	4313
Capital transfers receivable from abroad	254	137	93	45	46
Capital transfers payable to foreign countries	-2	-2	-2	-2	-3
Total	2544	1895	2892	3295	4356
Capital formation					
Gross fixed capital formation	4321	4760	4460	6016	6065
All other sectors	3482	3784	3465	4968	4946
General government	839	975	995	1048	1119
Consumption of fixed capital	-2482	-2851	-3103	-3558	-3943
All other sectors	-1771	-2083	-2284	-2649	-2933
General government	-711	-768	-819	-910	-1009
Changes in inventories	518	57	171	412	-283
Net lending (+) / Net borrowing(-)	187	-71	1364	425	2516
All other sectors	527	219	1924	1188	3377
General government	-340	-289	-560	-763	-861
Discrepancy on GDP ¹⁾	528	416	659	812	626
Net lending/borrowing in external transactions	715	345	2023	1237	3142
Total	2544	1895	2892	3295	4356

Source: Central Bureau of Statistics

¹This is the discrepancy in Table 1.6

Table I.4 GROSS DOMESTIC PRODUCT BY ACTIVITY

Current Prices - N\$ Million

Industry	1998	1999	2000	2001	2002
Agriculture and forestry	905	1101	1299	1136	1507
Commercial	459	532	792	711	982
Subsistence	447	569	507	425	526
Fishing and Fish processing on board	933	971	1044	1445	1597
Mining and quarrying	1835	1949	2610	3663	3945
Diamond mining	1358	1697	1934	2854	2887
Other mining and quarrying	477	253	677	809	1058
Primary industries	3674	4021	4953	6244	7050
Manufacturing	2041	2074	2371	2604	2961
Meat processing	131	139	121	142	133
Fish processing on shore	543	451	548	494	697
Manufacture of other food products and beverages	912	1014	1090	1215	1310
Other manufacturing	455	470	612	753	820
Electricity and water	451	541	605	620	867
Construction	528	483	473	776	617
Secondary industries	3020	3097	3448	4000	4444
Wholesale and retail trade, repairs	1727	1857	2682	3004	3510
Hotels and restaurants	359	344	403	477	564
Transport, and communication	1111	1226	1383	1532	1885
Transport and storage	698	787	877	975	1133
Post and telecommunications	413	439	506	556	752
Financial intermediation	641	739	833	964	1048
Real estate and business services	1798	2023	2235	2497	2601
Owner-occupied dwellings	956	1070	1194	1317	1363
Other real estate and business services	841	953	1041	1180	1237
Community, social and personal services	155	171	201	216	242
Producers of government services	4128	4620	5071	5520	5736
Other producers	354	392	437	487	555
Tertiary industries	10273	11371	13244	14697	16140
Less: Financial services indirectly measured	216	259	273	330	349
All industries at basic prices	16751	18231	21372	24611	27285
Taxes less subsidies on products	2037	2453	2318	2722	2816
GDP at market prices	18789	20684	23690	27333	30101

Source: Central Bureau of Statistics

Table I.5 GROSS DOMESTIC PRODUCT BY ACTIVITY

Constant 1995 Prices - N\$ Million

Industry	1998	1999	2000	2001	2002
Agriculture and forestry	909	1009	1056	899	905
Commercial	489	495	648	589	596
Subsistence	420	514	408	310	308
Fishing and Fish processing on board	567	559	641	629	648
Mining and quarrying	1117	1210	1190	1117	1160
Diamond mining	793	908	847	803	838
Other mining and quarrying	324	303	343	314	322
Primary industries	2593	2779	2887	2645	2714
Manufacturing	1574	1515	1570	1657	1779
Meat processing	99	111	101	107	110
Fish processing on shore	356	281	241	204	183
Manufacture of other food products and beverages	725	759	774	808	874
Other manufacturing	394	364	455	538	612
Electricity and water	223	268	299	228	250
Construction	423	364	344	519	392
Secondary industries	2220	2148	2214	2404	2421
Wholesale and retail trade, repairs	1336	1380	1455	1496	1565
Hotels and restaurants	285	251	269	292	310
Transport, and communication	862	968	1049	1195	1363
Transport and storage	533	631	671	725	789
Post and telecommunications	329	337	379	470	574
Financial intermediation	450	461	489	498	503
Real estate and business services	1272	1319	1338	1393	1369
Owner-occupied dwellings	660	677	694	711	696
Other real estate and business services	612	642	645	682	673
Community, social and personal services	122	122	133	133	137
Producers of government services	3060	3162	3236	3287	3391
Other producers	281	286	292	298	305
Tertiary industries	7668	7950	8262	8591	8943
Less: Financial services indirectly measured	144	152	151	158	155
All industries at basic prices	12336	12724	13211	13483	13923
Taxes less subsidies on products	1779	1866	1889	1974	2036
GDP at market prices	14115	14591	15100	15457	15960

Source: Central Bureau of Statistics

Table I.6 EXPENDITURE ON GROSS DOMESTIC PRODUCT

Current Prices - N\$ Million

Expenditure category	1998	1999	2000	2001	2002
Final consumption expenditure	16740	18509	21022	23498	25371
Private	11185	12240	14196	16082	17717
General government	5555	6268	6830	7416	7654
Gross fixed capital formation	4321	4760	4460	6016	6065
Changes in inventories ¹	518	57	171	412	-283
Gross domestic expenditure	21580	23326	25657	29926	31153
Exports of goods and services	8637	9548	10811	12446	13658
Imports of goods and services	10900	11773	12119	14226	14085
Discrepancy	-528	-416	-659	-812	-626
Gross domestic product at market prices	18789	20684	23690	27333	30101

Source: Central Bureau of Statistics

¹Change in inventories include only livestock, ores and minerals. Thus, the discrepancy includes an element of changes inventories.**Table I.7 EXPENDITURE ON GROSS DOMESTIC PRODUCT**

Constant 1995 Prices - N\$ Million

Expenditure category	1998	1999	2000	2001	2002
Final consumption expenditure	13088	13396	13973	14330	14727
Private	8864	8983	9505	9820	10200
General government	4224	4413	4469	4510	4527
Gross fixed capital formation	3564	3713	3379	4256	4249
Changes in inventories ¹	518	57	171	412	-283
Gross domestic expenditure	17170	17166	17523	18997	18693
Exports of goods and services	6243	6520	6465	6328	6775
Imports of goods and services	9113	9240	8759	9616	9392
Discrepancy	-185	144	-129	-249	-117
Gross domestic product at market prices	14115	14591	15100	15457	15960

Source: Central Bureau of Statistics

¹Change in changes in inventories and discrepancy as a percentage of GDP of the previous year.**Table I.8 GROSS FIXED CAPITAL FORMATION BY ACTIVITY**

Current prices - N\$ Million

Industry	1998	1999	2000	2001	2002
Agriculture	228	252	268	298	321
Fishing	148	151	160	238	249
Mining and quarrying	500	662	828	958	1134
Manufacturing	435	307	387	464	650
Electricity and water	261	451	136	1217	761
Construction	232	163	156	176	205
Wholesale and retail trade; hotels, restaurants	196	153	224	307	320
Transport, and communication	949	1123	687	606	642
Finance, real estate, business services	519	539	644	728	810
Community, social and personal services	47	24	17	20	28
Producers of government services	808	935	952	1003	1071
Total	4321	4760	4460	6016	6193

Source: Central Bureau of Statistics

Table I.9 GROSS FIXED CAPITAL FORMATION BY ACTIVITY

Constant 1995 Prices - N\$ Million

Industry	1998	1999	2000	2001	2002
Agriculture	192	200	209	219	230
Fishing	126	121	124	172	187
Mining and quarrying	429	536	656	697	820
Manufacturing	364	244	296	333	450
Electricity and water	209	339	99	848	516
Construction	194	131	124	132	149
Wholesale and retail trade; hotels, restaurants	163	121	171	218	220
Transport, and communication	762	865	506	420	437
Finance, real estate, business services	425	419	479	509	532
Community, social and personal services	41	19	13	15	21
Producers of government services	658	718	700	692	694
Total	3564	3713	3379	4256	4249

Source: Central Bureau of Statistics

Table I.10 GROSS FIXED CAPITAL FORMATION BY THE TYPE OF ASSET

Current Prices - N\$ Million

Type of Asset	1998	1999	2000	2001	2002
Buildings	1172	1200	1392	1614	1817
Construction works	1153	965	882	1578	1177
Transport equipment	950	1439	702	901	968
Machinery and other equipment	922	980	1318	1676	1851
Mineral exploration	124	175	167	249	251
Total	4321	4760	4460	6016	6065

Source: Central Bureau of Statistics

Table I.11 GROSS FIXED CAPITAL FORMATION BY TYPE OF ASSET

Constant 1995 Prices - N\$ Million

Type of Asset	1998	1999	2000	2001	2002
Buildings	958	931	1033	1125	1189
Construction works	909	710	618	1039	712
Transport equipment	775	1115	517	612	684
Machinery and other equipment	818	818	1087	1308	1417
Mineral exploration	104	139	124	171	167
Total	3564	3713	3379	4256	4249

Source: Central Bureau of Statistics

Table I.12 GROSS FIXED CAPITAL FORMATION BY OWNERSHIP

Current prices - N\$ Million

Ownership	1998	1999	2000	2001	2002
Public	1446	2270	1451	2361	1582
Producers of government services	808	935	952	1003	1071
Public corporations and enterprises	639	1335	499	1358	511
Private	2875	2490	3008	3656	4483
Total	4321	4760	4460	6016	6065

Source: Central Bureau of Statistics

Table I.13 GROSS FIXED CAPITAL FORMATION BY OWNERSHIP

Constant 1995 Prices - N\$ Million

Ownership	1998	1999	2000	2001	2002
Public	1171	1738	1067	1638	1044
Producers of government services	658	718	700	692	694
Public corporations and enterprises	513	1021	367	946	349
Private	2392	1975	2312	2617	3206
Total	3564	3713	3379	4256	4249

Source: Central Bureau of Statistics

Table I.14 FIXED CAPITAL STOCK BY ACTIVITY

Current Prices - N\$ Million

Industry	1998	1999	2000	2001	2002
Agriculture	3893	4151	4322	4607	4784
Fishing	632	782	917	1163	1306
Mining and quarrying	4525	4960	5562	6399	6709
Manufacturing	2128	2344	2602	2981	3484
Electricity and water	3221	3756	3919	5167	6003
Construction	647	689	693	729	757
Wholesale and retail trade; hotels, restaurants	1840	1926	2045	2269	2467
Transport, and communication	4702	5712	6168	6677	7122
Finance, real estate, business services	7427	8115	8866	9866	10988
Community, social and personal services	349	375	384	403	424
Producers of government services	23789	25509	26881	28698	31101
Total	53151	58317	62358	68959	75145

Source: Central Bureau of Statistics

Table I.15 FIXED CAPITAL STOCK BY ACTIVITY

Constant 1995 Prices - N\$ Million

Industry	1998	1999	2000	2001	2002
Agriculture	3096	3121	3143	3163	3182
Fishing	538	627	714	843	979
Mining and quarrying	3713	3863	4106	4361	4705
Manufacturing	1762	1840	1960	2108	2341
Electricity and water	2561	2789	2773	3465	3750
Construction	540	553	550	544	545
Wholesale and retail trade; hotels, restaurants	1510	1502	1530	1593	1642
Transport, and communication	3734	4275	4441	4500	4506
Finance, real estate, business services	6070	6300	6581	6883	7199
Community, social and personal services	291	293	289	286	287
Producers of government services	19020	19149	19246	19309	19345
Total	42835	44310	45334	47055	48481

Source: Central Bureau of Statistics

CURRENT STATISTICS

Table I.16(a) INTERIM CONSUMER PRICE INDEX (DECEMBER 1992 = 100)

	All Items	Food	Housing, Fuel & Power	T/port & Communication	Household Goods, etc	Clothing & Footwear	Beverage & Tobacco	Recreation etc.	Medical Health Care	Misc. Goods etc.	Inflation* (%Annual)
Weight	100.00	28.36	19.94	20.67	10.22	4.33	4.10	4.14	1.35	6.88	100.00
1999	173.39	160.88	185.63	163.76	136.57	176.95	241.71	207.24	200.01	204.55	8.59
2000	189.46	172.01	202.07	191.79	145.59	183.90	267.03	226.98	221.55	211.43	9.25
2001	207.02	191.71	217.67	216.05	151.67	196.08	290.26	234.43	242.28	228.13	9.30
2002											
Jan	216.98	208.39	221.33	226.32	156.03	203.32	303.49	246.59	248.05	235.42	8.68
Feb	218.01	210.43	221.33	227.38	156.04	206.58	302.50	247.04	248.91	236.78	8.54
Mar	222.29	215.92	223.24	235.68	157.48	206.58	308.65	247.25	249.95	239.82	9.35
Q1	219.09	211.58	221.97	229.79	156.52	205.49	304.88	246.96	248.97	237.34	8.85
Apr	225.13	220.27	223.24	238.89	160.14	206.92	317.86	248.55	249.96	243.02	10.25
May	226.73	223.63	224.19	238.94	161.26	207.68	319.38	249.17	252.02	245.69	10.85
Jun	228.85	225.10	228.11	239.35	164.77	207.68	319.45	253.26	254.00	249.82	10.50
Q2	226.90	223.00	225.18	239.06	162.06	207.43	318.90	250.33	251.99	246.18	10.54
Jul	232.50	230.29	236.78	240.13	166.41	207.75	320.94	254.45	255.01	249.65	11.87
Aug	233.09	230.47	236.78	242.20	166.60	209.12	323.07	254.53	255.10	248.91	11.90
Sep	237.40	236.43	239.06	250.40	167.35	208.48	327.71	255.60	255.37	251.53	13.09
Q3	234.33	232.40	237.54	244.24	166.79	208.45	323.91	254.86	255.16	250.03	12.29
Oct	239.48	244.03	239.06	252.99	166.94	212.96	305.70	256.36	263.30	251.48	13.34
Nov	241.55	251.42	239.04	252.99	167.02	213.03	305.60	256.36	263.60	250.97	13.71
Dec	243.99	253.67	239.83	257.82	168.23	215.50	313.43	257.24	263.90	251.76	13.59
Q4	241.67	249.71	239.31	254.60	167.40	213.83	308.24	256.65	263.60	251.40	13.55
Annual	230.50	229.17	231.00	241.92	163.19	208.80	313.98	252.20	254.93	246.24	11.31
2003											
Jan	244.83	254.50	239.87	256.01	168.49	215.05	314.24	276.87	269.86	252.37	12.83
Feb	243.62	249.35	239.79	256.35	169.04	215.16	314.11	277.06	269.03	254.47	11.75
Mar	244.02	247.40	245.42	254.57	168.72	199.86	326.93	276.96	269.78	259.64	9.78
Q1	244.16	250.42	241.69	255.64	168.75	210.02	318.43	276.96	269.56	255.49	11.45
Apr	243.41	243.34	245.43	252.06	170.69	204.40	338.65	278.10	270.74	261.48	8.12
May	245.76	245.69	245.42	252.08	171.43	201.75	342.04	279.59	270.69	283.48	8.39
Jun	248.21	247.38	245.96	257.17	172.49	204.31	350.23	279.04	269.97	287.77	8.46
Q2	245.79	245.47	245.60	253.77	171.54	203.49	343.64	278.91	270.47	277.58	8.32
Jul	248.98	245.28	252.11	255.16	172.58	205.05	355.18	279.69	270.33	291.72	7.09
Aug	248.71	244.52	252.11	255.15	172.49	204.48	352.24	280.51	274.47	291.94	6.70
Sep	249.31	245.05	251.40	257.06	171.55	202.52	355.44	280.59	275.18	295.27	5.02
Q3	249.00	244.95	251.87	255.79	172.21	204.02	354.29	280.26	273.33	292.98	6.27
Oct	248.69	247.95	251.31	251.00	171.85	200.43	355.35	278.31	276.00	294.93	3.85
Nov	250.23	253.58	251.40	251.00	171.97	199.74	354.68	278.53	276.00	294.32	3.59
Dec	248.99	250.03	251.36	250.93	170.52	199.36	355.19	278.33	276.38	293.40	2.05
Q4	249.30	250.52	251.36	250.98	171.45	199.84	355.07	278.39	276.13	294.22	3.16
Annual	247.06	247.84	247.63	254.05	170.99	204.34	342.86	278.63	272.37	280.07	7.30

*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 I.16(b) INTERIM CONSUMER PRICE INDEX

This table classifies goods and services in the index by source: imported tradeables refers to imported goods, domestic tradeables refers to domestic goods.

	Monthly Index					Annual Inflation Rate (%)*				
	Domestic			Imported	All	Domestic			Imported	All
	Non Tradeables	Tradeables	Total	Tradeables	Items	Non Tradeables	Tradeables	Total	Tradeables	Items
Weight	32.00	20.11	52.11	47.89	100.00	32.00	20.11	52.11	47.89	100.00
1999	185.54	162.05	176.47	170.04	173.39	9.06	4.22	7.28	10.10	8.58
2000	199.04	174.98	189.82	189.13	189.46	7.26	7.94	7.54	11.23	9.25
2001	213.40	200.38	208.35	205.68	207.02	7.27	14.54	9.84	8.77	9.30
2002										
Jan	218.87	215.50	217.57	216.35	216.99	4.96	13.88	8.20	9.22	8.69
Feb	219.58	218.55	219.18	216.73	218.01	4.57	14.48	8.17	8.94	8.54
Mar	220.06	224.93	221.94	222.67	222.29	4.24	15.45	8.36	10.43	9.35
Q1	219.50	219.66	219.56	218.58	219.10	4.59	14.60	8.24	9.53	8.86
Apr	220.50	229.69	224.05	226.30	225.13	4.40	16.79	8.98	11.65	10.25
May	220.50	233.10	225.36	228.21	226.73	4.36	17.73	9.32	12.55	10.85
June	223.49	233.10	227.33	230.52	228.86	4.16	16.33	8.72	12.49	10.51
Q2	221.50	231.96	225.58	228.34	226.91	4.31	16.95	9.01	12.23	10.54
Jul	229.38	238.44	232.88	232.09	232.50	6.67	19.46	11.38	12.41	11.87
Aug	229.38	237.97	232.70	233.54	233.10	6.67	18.87	11.17	12.71	11.91
Sep	229.91	246.41	236.28	238.62	237.40	6.64	20.28	11.74	14.58	13.09
Q3	229.56	240.94	233.95	234.75	234.33	6.66	19.54	11.43	13.23	12.29
Oct	230.20	255.37	239.91	239.00	239.48	6.69	24.01	13.18	13.51	13.34
Nov	230.20	266.05	244.04	238.83	241.54	6.55	26.96	14.28	13.08	13.71
Dec	231.45	268.74	245.84	241.97	243.99	6.60	25.33	13.77	13.40	13.59
Q4	230.62	263.39	243.26	239.93	241.67	6.61	25.43	13.74	13.33	13.55
Annual	225.29	238.99	230.59	230.40	230.50	5.54	19.13	10.61	12.08	11.31
2003										
Jan	234.11	269.40	247.73	241.68	244.83	6.96	25.01	13.86	11.71	12.83
Feb	234.12	262.25	244.98	242.15	243.62	6.62	20.00	11.77	11.73	11.75
Mar	238.57	258.76	246.36	241.47	244.02	8.41	15.04	11.00	8.44	9.78
Q1	235.60	263.47	246.36	241.77	244.16	7.33	20.02	12.21	10.63	11.45
Apr	239.20	251.48	240.94	242.85	243.47	8.48	9.49	8.88	7.31	8.12
May	243.74	253.69	247.58	243.78	245.76	10.54	8.83	9.86	6.82	8.40
Jun	245.14	255.80	249.25	247.08	248.21	9.69	9.57	9.64	7.18	8.46
Q2	242.69	253.66	245.92	244.57	245.81	9.57	9.30	9.46	7.10	8.33
Jul	249.00	253.37	250.69	247.12	248.98	8.55	6.26	7.65	6.48	7.09
Aug	249.00	254.34	251.06	246.16	248.71	8.55	6.88	7.89	5.40	6.70
Sep	247.58	259.67	252.25	246.11	249.31	7.69	5.38	6.76	3.14	5.02
Q3	248.53	255.79	251.33	246.46	249.00	8.26	6.17	7.43	5.01	6.27
Oct	247.61	258.97	251.99	245.09	248.69	7.56	1.41	5.04	2.55	3.85
Nov	247.60	267.10	255.13	244.89	250.22	7.56	0.39	4.54	2.54	3.59
Dec	247.10	266.08	254.43	243.07	248.99	6.76	-0.99	3.49	0.45	2.05
Q4	247.44	264.05	253.85	244.35	249.30	7.29	0.27	4.36	1.85	3.16
Annual	243.56	259.24	249.37	244.29	247.07	8.11	8.94	8.37	6.15	7.30

*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 II.1(a) CENTRAL BANK SURVEY
(end of period in N\$ Million)

	2002												2003											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
Net foreign assets	2571.8	2396.1	2319.2	3478.2	3304.6	2906.9	2845.2	2405.6	2886.1	3095.1	2595.4	2187.8	2272.5	2113.4	2165.8	2129.6	1891.0	2181.2	2467.9	2091.0	2110.3			
Claims on nonresidents	2579.7	2404.5	2327.8	3493.1	3344.1	2930.2	2855.1	2423.7	2893.3	3113.3	2698.4	2194.4	2294.7	2121.6	2163.9	2144.5	1909.4	2189.8	2484.0	2100.0	2117.2			
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	0.0	0.2	0.2			
Foreign currency	12.5	8.5	12.0	22.1	22.3	25.6	26.5	29.9	38.7	33.9	38.8	26.8	25.0	21.7	23.8	37.1	25.0	32.8	27.0	12.5	13.4			
Deposits	1794.6	1686.1	1558.3	2727.9	2535.0	2139.4	2096.7	1722.6	2823.0	3048.7	2538.3	2165.4	2268.3	2052.9	2158.3	1816.9	1694.6	1968.2	2358.9	2039.3	2055.4			
Securities other than shares	771.5	709.0	756.0	741.1	756.3	764.4	730.5	675.6	30.0	30.0	30.0	0.0	0.0	45.5	0.0	285.0	187.6	187.6	97.6	47.6	47.6			
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	1.0	0.7	1.3	1.9	0.2	0.6	1.1	1.4	1.4	0.5	1.1	2.1	1.1	1.2	1.6	5.4	2.1	1.0	0.3	0.5	0.6			
less: Liabilities to nonresidents	-7.9	-8.5	-8.6	-14.9	-9.4	-23.3	-9.9	-18.1	-7.2	-18.2	-13.0	-6.6	-22.2	-8.3	-18.1	-14.9	-18.5	-8.7	-16.1	-9.0	-6.9			
Deposits	-7.9	-8.5	-8.6	-14.9	-9.4	-23.3	-9.8	-18.1	-6.7	-17.6	-12.4	-6.1	-21.7	-7.7	-17.6	-14.4	-18.0	-8.7	-15.3	-9.0	-5.2			
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	0.0	-0.9	0.0	-1.7			
Claims on other depository corp.	73.1	53.0	53.2	53.5	54.3	54.8	55.1	89.0	117.5	56.1	57.3	76.3	58.3	58.9	59.1	59.3	83.5	78.1	78.2	78.8	79.3			
Net claims on central government	-509.7	-379.3	-102.6	-1343.8	-976.8	-755.0	-777.7	-519.0	-1114.8	-1337.3	-879.5	-609.1	-673.9	-354.5	-575.4	-402.6	-310.7	-532.2	-820.8	-430.9	-368.3			
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			
less: Liabilities to central govt.	-509.7	-379.3	-102.6	-1343.8	-976.8	-755.0	-777.7	-519.0	-1114.8	-1337.3	-879.5	-609.1	-673.9	-354.5	-575.4	-402.6	-310.7	-532.2	-820.8	-430.9	-368.3			
Deposits	-509.7	-379.3	-102.6	-1343.8	-976.8	-755.0	-777.7	-519.0	-1114.8	-1337.3	-879.5	-609.1	-673.9	-354.5	-575.4	-402.6	-310.7	-532.2	-820.8	-430.9	-368.3			
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			
Claims on other sectors	15.4	14.9	15.0	15.1	14.9	15.1	15.6	15.9	16.6	17.1	17.4	18.2	18.4	18.6	18.6	18.8	19.3	20.4	20.1	19.5	19.0			
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	15.4	14.9	15.0	15.1	14.9	15.1	15.6	15.9	16.6	17.1	17.4	18.2	18.4	18.6	18.6	18.8	19.3	20.4	20.1	19.5	19.0			

TABLE II.1(b) Central Bank Survey
(end of period in N\$ Million)

	2002												2003											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
Monetary base	941.3	1021.6	1054.3	1007.3	1102.3	938.3	965.6	972.1	980.8	928.3	1045.4	940.3	1036.9	987.0	926.7	1098.0	1020.5	1039.8	1064.1	1206.8	1172.9			
Currency in circulation	737.2	736.7	704.6	720.6	739.1	736.7	740.0	734.2	819.2	726.8	716.3	770.1	786.4	778.0	756.0	775.9	805.0	791.8	798.6	844.0	918.9			
Liabilities to other depository corporations	203.9	284.8	349.6	286.4	362.9	201.4	225.5	237.8	161.6	201.5	329.1	170.2	250.5	209.0	170.7	322.1	215.5	248.0	265.5	362.8	254.0			
Reserve deposits	126.2	165.2	153.2	169.4	152.0	149.4	149.2	153.4	154.0	156.4	152.8	160.9	162.2	162.6	163.9	166.0	170.0	171.2	165.6	199.3	168.3			
Other liabilities	77.7	119.6	196.4	117.0	210.9	52.0	76.3	84.3	7.6	45.0	176.3	9.3	88.2	46.3	6.9	156.2	45.5	76.8	99.8	163.4	85.7			
Deposits included in broad money	0.2	0.1	0.1	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Transferable deposits	0.2	0.1	0.1	0.3	0.3	0.2	0.2	0.1	0.1	0.1	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	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
<i>Of which: Other financial corporations</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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			
<i>Of which: Other financial corporations</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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			
<i>Of which: Other financial corporations</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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			
<i>Of which: Other financial corporations</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	4.8	3.2	4.5	5.2	4.3	4.7	3.8	4.3	4.4	5.2	5.5	5.6	4.3	8.9	4.3	4.4	5.6	4.7	2.6	3.3	9.0			
<i>Of which: Other financial corporations</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	1377.6	1232.8	1399.6	1366.9	1466.7	1458.6	1348.9	1195.0	1103.8	1077.7	919.8	911.9	734.2	940.0	835.9	833.6	789.2	831.1	807.8	672.8	789.2			
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	17.5	17.5	18.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
General and special reserves	243.4	243.4	243.4	243.4	243.4	243.4	243.4	243.4	243.4	243.4	243.4	243.4	256.2	256.2	256.2	256.2	256.2	256.2	256.2	256.2	256.2			
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	1085.9	938.8	1107.3	1070.8	1169.7	1159.9	1048.2	888.2	802.5	772.3	616.2	609.2	437.4	641.2	533.5	521.8	484.9	531.9	504.9	368.9	490.4			
Current year result	8.2	10.5	8.9	12.6	13.6	15.2	17.3	23.4	17.8	4.4	2.6	1.0	0.6	2.6	6.2	15.6	8.1	2.9	6.7	7.7	2.6			
Other items (net)	-173.1	-173.1	-173.7	-176.4	-176.3	-179.8	-180.2	-179.9	-183.8	-180.2	-179.9	-184.6	-178.1	-177.5	-176.8	-174.5	-175.8	-171.8	-172.5	-168.1	-174.3			
Other liabilities	4.5	1.6	1.7	1.6	1.5	1.5	1.4	1.2	3.7	3.7	3.7	2.9	2.8	2.8	2.8	2.8	2.7	3.1	2.6	3.7	2.9			
less: Other assets	-177.6	-174.7	-175.4	-178.0	-177.8	-181.3	-181.6	-181.1	-187.5	-183.9	-183.6	-187.5	-181.0	-180.3	-179.6	-177.3	-178.5	-174.8	-175.1	-171.7	-177.1			

CURRENT STATISTICS

TABLE II.2(a) Other Depository Corporations Survey
(end of period in N\$ Million)

	2003																				
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar									
Net foreign assets	1257.5	1186.7	1098.0	698.2	691.9	258.0	550.1	453.2	-802.3	-566.1	-127.3	-745.2	-786.0	-688.2	-1124.6	-114.9	-542.3	-759.4	-679.2	-715.4	-867.3
Claims on nonresidents	3185.1	2935.1	2882.7	2545.2	2538.5	2367.2	2427.4	2542.3	1755.0	1804.6	2026.0	1779.5	1688.6	1830.2	1963.2	2848.5	2263.2	2189.8	2210.4	1950.7	1505.4
Foreign currency	78.0	75.0	65.5	68.0	74.1	60.6	75.1	64.2	66.4	62.3	64.8	56.2	46.6	50.5	49.8	46.2	58.3	45.8	57.7	44.1	60.4
Deposits	2846.4	2598.7	2421.7	2213.4	2196.2	1932.7	2090.3	2217.4	1238.8	1265.8	1491.0	1276.9	1208.9	1342.9	1505.7	2394.2	1796.8	1726.2	1735.9	1497.2	1035.6
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	260.7	261.4	395.5	263.8	268.1	373.8	262.1	260.7	451.8	476.6	470.2	446.4	433.0	436.8	408.1	408.1	408.1	417.8	416.8	409.8	409.5
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
less: Liabilities to nonresidents	-1927.6	-1748.4	-1784.7	-1847.0	-1846.6	-2109.2	-1877.4	-2089.1	-2557.3	-2370.8	-2153.3	-2524.8	-2474.6	-2518.5	-3088.2	-2963.4	-2805.6	-2949.2	-2889.6	-2866.1	-2372.8
Deposits	-649.0	-285.4	-347.0	-286.7	-239.8	-420.8	-459.5	-329.2	-379.2	-464.4	-277.1	-512.9	-502.0	-491.8	-709.9	-843.8	-841.8	-949.7	-991.1	-984.1	-1103.0
Securities other than shares	-60.0	-60.0	-60.0	-60.0	-60.0	-60.0	-60.0	-60.0	-60.0	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	-1218.6	-1393.0	-1377.7	-1500.3	-1546.7	-1628.4	-1357.9	-1699.9	-2118.2	-1906.4	-1876.3	-2011.9	-1972.5	-2026.6	-2378.4	-2119.7	-1963.8	-1999.6	-1898.5	-1682.0	-1269.7
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claims on central bank	427.3	402.5	460.9	454.6	509.3	363.6	403.4	302.9	417.0	388.0	499.1	370.9	468.0	429.5	366.3	542.0	414.3	473.2	469.2	570.2	588.9
Currency	223.9	200.1	156.8	199.6	162.1	183.9	201.0	159.2	275.5	197.1	169.3	216.1	226.5	211.6	201.0	216.8	196.2	222.2	203.4	206.4	334.3
Reserve deposits	203.4	202.3	304.2	255.0	347.2	179.7	202.5	143.7	141.4	190.9	269.9	154.9	241.5	217.9	147.0	167.6	171.6	172.8	165.6	199.3	168.3
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	8.4	157.7	46.5	78.2	100.2	164.5	86.4
Net claims on central government	901.1	1082.9	989.2	981.7	905.5	940.3	859.0	1003.4	963.9	991.4	1070.3	1141.4	1271.8	1049.2	1017.1	882.3	883.8	1059.0	866.4	869.7	936.8
Claims on central government	1245.8	1366.8	1346.5	1314.4	1210.0	1289.2	1214.2	1320.3	1347.0	1340.0	1473.3	1518.3	1630.9	1478.8	1535.6	1408.3	1574.8	1833.9	1704.5	1673.6	1702.1
Securities other than Shares	1210.9	1300.0	1271.3	1241.1	1150.1	1232.9	1182.7	1288.1	1238.6	1248.7	1379.5	1426.5	1554.0	1401.0	1474.8	1356.1	1521.1	1792.2	1659.2	1620.5	1651.8
Other claims	34.9	66.7	75.2	73.3	59.9	56.3	31.5	32.2	108.4	91.3	93.8	91.8	76.9	77.8	60.8	52.2	53.7	41.7	45.3	53.0	50.3
less: Liabilities to central government	-344.7	-283.9	-357.3	-332.7	-304.5	-348.8	-355.2	-317.0	-383.1	-348.6	-403.0	-376.8	-359.1	-429.6	-518.5	-526.0	-691.1	-774.9	-818.2	-803.9	-765.3
Deposits	-344.7	-283.9	-357.3	-332.7	-304.5	-348.8	-355.2	-317.0	-383.1	-348.6	-403.0	-376.8	-359.1	-429.6	-431.3	-438.7	-603.8	-687.6	-733.4	-719.2	-680.6
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	-87.3	-87.3	-87.3	-87.3	-84.8	-84.8	
Claims on other sectors	13037.5	13413.7	13302.3	13451.5	13500.3	13813.6	14457.0	14711.0	15067.0	15045.6	15278.5	15496.0	15766.5	15841.6	15719.8	15845.7	15900.4	16051.3	16133.0	16659.7	16820.8
Other financial corporations	14.6	17.9	14.1	15.1	15.0	13.9	13.9	13.2	14.0	25.5	14.1	19.2	15.3	15.3	53.9	12.7	18.1	12.7	0.0	0.0	0.0
State and local government	23.1	10.6	10.6	9.3	9.2	9.8	10.0	11.8	10.3	16.4	10.3	18.2	11.6	18.3	9.9	9.3	9.0	9.5	8.9	12.4	19.3
Public nonfinancial corporations	192.2	197.1	202.2	191.0	197.0	195.2	204.2	222.7	225.0	1009.1	1055.6	1053.6	1063.8	168.4	123.8	124.1	128.0	134.0	134.5	131.6	144.3
Other nonfinancial corporations	4175.9	4523.6	4238.8	4400.1	4373.9	4537.3	4715.5	4901.6	5061.5	4918.3	5032.4	5104.4	5336.7	5206.4	5622.3	5408.2	5371.0	5530.7	6093.0	6733.2	6527.0
Other resident sectors	8631.7	8664.5	8836.5	8836.1	8905.3	9057.4	9513.4	9661.7	9756.2	9076.4	9166.1	9240.6	9349.1	10433.1	9909.9	10296.4	10274.3	10364.4	9896.5	9781.5	10130.2
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

CURRENT STATISTICS

TABLE II.2(b) OTHER DEPOSITORY CORPORATIONS SURVEY
(end of period in N\$ Million)

	2002												2003											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
Liabilities to central bank	24.4	20.8	21.0	21.0	21.4	21.1	20.7	30.9	20.1	336.7	18.4	37.2	38.1	143.6	16.6	16.6	20.7	15.5	15.2	14.3	14.4			
Deposits included in broad money	11980.5	12619.1	12442.9	12244.6	12261.9	11893.1	12689.2	12623.0	11890.0	11893.0	12154.2	11836.0	12198.0	12244.5	12266.6	13118.1	12390.5	13460.4	12613.2	12848.9	13042.1			
Transferable deposits	6425.2	6895.8	6746.6	6645.6	6683.4	6623.0	6966.8	6692.7	6343.4	6463.2	6764.4	6248.3	6397.6	6655.7	6634.4	7097.4	6972.8	7389.8	7198.7	7488.4	7466.1			
Other financial corporations	586.1	938.5	562.6	633.5	597.9	640.1	763.7	563.8	697.5	466.5	616.7	551.9	552.3	538.9	503.1	565.1	559.2	588.9	683.1	1013.4	977.0			
State and local government	52.5	56.3	62.4	50.2	36.7	47.8	55.2	37.4	49.8	66.3	76.1	66.5	69.2	83.4	64.4	145.3	82.8	124.9	91.3	81.1	85.3			
Public nonfinancial corporations	283.8	363.1	330.1	262.3	319.2	302.2	315.4	297.6	258.1	425.9	358.0	373.9	367.9	408.2	267.3	320.9	290.5	293.8	287.4	358.7	186.9			
Other nonfinancial corporations	3548.5	3665.6	3782.3	3575.3	3661.6	3475.8	3759.6	3707.8	3365.7	3628.6	3683.5	3368.6	3492.0	3574.5	3469.1	3764.0	3707.9	3849.4	3840.1	3829.8	3928.2			
Other resident sectors	1954.3	1870.4	2009.2	2124.3	2266.1	2057.1	2083.0	2081.0	2012.3	1980.9	2030.1	1887.4	1916.2	2060.9	2330.6	2302.2	2332.5	2492.8	2296.8	2205.4	2318.8			
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			
Other deposits	5555.3	5723.3	5696.3	5599.0	5378.5	5370.1	5722.4	5930.4	5546.7	5421.3	5389.8	5587.7	5800.4	5588.8	5632.2	6020.7	6017.6	6100.6	5414.5	5360.5	5545.9			
Other financial corporations	260.3	261.7	248.9	244.0	244.0	270.8	271.3	264.1	257.2	256.3	279.3	274.7	353.0	276.4	318.8	595.6	522.1	558.7	319.9	312.9	345.5			
State and local government	115.3	119.6	119.0	110.4	110.6	119.4	114.8	107.6	106.4	107.2	114.5	102.3	115.8	106.7	118.7	115.8	124.6	143.6	97.1	65.8	95.8			
Public nonfinancial corporations	284.8	241.5	212.2	202.3	187.3	306.0	369.0	379.1	371.4	348.0	375.8	396.9	393.3	393.6	363.3	399.2	368.0	375.7	350.9	411.3	394.4			
Other nonfinancial corporations	1708.8	1917.4	1916.6	1826.3	1609.1	1468.1	1755.8	1879.8	1531.2	1386.1	1375.0	1554.5	1517.8	1522.2	1530.1	1570.3	1521.8	1609.4	1751.7	1762.2	1935.8			
Other resident sectors	3186.1	3183.1	3199.5	3216.1	3227.5	3205.8	3211.5	3299.8	3280.4	3322.7	3245.1	3280.4	3420.4	3289.9	3301.3	3339.8	3481.1	3413.3	2894.9	2808.4	2774.4			
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			
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			
Securities other than shares,																								
excluded from broad money	1038.9	1244.9	1103.8	1049.1	1024.5	1056.9	1144.8	1236.5	1486.7	1471.4	1618.7	1608.3	1684.4	1623.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
<i>Of which: Other financial corporations</i>	60.4	50.1	14.9	40.3	86.8	87.6	88.5	257.2	274.9	442.4	564.6	580.8	552.5	569.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Loans	140.6	140.6	140.6	140.6	140.6	140.7	140.7	140.7	140.7	100.4	130.6	130.6	130.6	100.4	688.9	716.0	538.4	600.0	605.0	842.1	840.7			
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			
Trade credit and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	2848.3	2890.0	2926.7	2947.9	2911.2	2990.7	3003.9	3033.8	2803.1	2851.9	2836.6	2972.0	3010.4	3029.3	3204.5	3391.6	3474.6	3473.9	3652.0	3655.4	3655.0			
Funds contributed by owners	988.8	988.8	988.8	988.8	988.8	988.8	988.8	988.8	988.8	788.4	1051.5	1051.5	1051.5	545.5	544.5	544.5	544.5	544.5	340.9	340.9	340.9			
Retained earnings	203.4	196.4	124.1	62.8	105.1	148.0	201.5	179.7	-56.7	-48.8	222.7	266.8	295.6	322.1	334.4	401.4	438.1	387.4	301.3	295.3	391.4			
General and special reserves	1656.2	1704.9	1813.8	1896.4	1817.4	1823.9	1813.7	1865.4	1870.0	1913.4	1662.4	1653.6	1663.2	2161.7	2324.6	2445.7	2492.0	2542.0	3009.8	2929.2	2922.7			
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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 items (net)	-409.4	-829.7	-784.7	-817.2	-752.7	-697.0	-728.8	-584.6	-695.0	-591.0	-197.9	-380.9	-341.1	-508.4	-413.1	-310.8	-725.3	-996.2	-362.8	-158.0	-384.3			
Other liabilities	477.5	294.0	252.0	247.0	213.1	277.0	264.7	396.9	215.0	305.9	371.8	368.3	403.5	436.3	1433.3	1351.1	1148.0	1389.7	1768.1	1295.1	1242.0			
less: Other assets	-909.9	-1057.5	-989.6	-928.6	-909.9	-902.8	-944.6	-1003.7	-1001.2	-1071.1	-899.7	-936.2	-1189.3	-1171.7	-1597.1	-1716.7	-1376.1	-1623.3	-1743.7	-1283.1	-1444.9			
plus: Consolidation adjustment	23.1	-66.2	-67.0	-135.6	-56.9	-71.2	-49.9	12.2	91.2	174.2	330.0	247.1	444.7	226.0	-249.3	54.9	-487.3	-762.6	-377.3	-169.9	-181.5			

CURRENT STATISTICS

TABLE II.3 DEPOSITORY CORPORATIONS SURVEY (end of period in N\$ Million)

	2002												2003											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
Net foreign assets	3829.3	3582.7	3417.2	4178.4	3996.5	3164.9	3396.3	2858.8	2083.8	2529.0	2488.1	1442.6	1486.5	1425.1	1041.2	2014.7	1348.6	1421.7	1788.7	1375.6	1243.0			
Claims on nonresidents	5764.8	5339.6	5210.5	6038.3	5852.5	5297.4	5282.5	4966.0	4648.3	4917.9	4634.4	3974.0	3983.2	3951.9	4147.5	4993.1	4172.7	4379.6	4694.4	4050.8	3622.7			
less: Liabilities to nonresidents	-1935.5	-1756.9	-1793.3	-1861.9	-1856.0	-2132.5	-1897.2	-2107.3	-2564.5	-2388.9	-2166.3	-2831.4	-2496.7	-2526.7	-3106.3	-2978.3	-2824.0	-2967.9	-2905.7	-2675.1	-2379.7			
Domestic claims	13444.3	14132.2	14203.8	13104.5	13443.9	14014.0	14553.9	15211.3	14932.7	14716.8	15486.8	15986.5	16382.9	16554.9	16180.1	16344.2	16392.8	16698.4	16218.7	17117.0	17408.3			
Net claims on central government	391.4	703.6	886.6	-362.1	-71.3	185.3	81.3	484.4	-150.9	-345.8	190.8	532.3	597.9	694.8	441.7	479.8	573.1	526.8	65.6	438.8	568.4			
Claims on central government	1245.8	1366.8	1346.5	1314.4	1210.0	1289.2	1214.2	1320.3	1347.0	1340.0	1473.3	1518.3	1630.9	1478.8	1535.6	1406.3	1574.8	1833.9	1704.5	1673.6	1702.1			
less: Liabilities to central government	-854.4	-663.2	-459.9	-1676.5	-1281.2	-1103.9	-1132.9	-835.9	-1497.9	-1685.8	-1282.4	-986.0	-1033.0	-784.1	-1093.9	-928.5	-1001.8	-1307.1	-1639.0	-1234.8	-1133.7			
Claims on other sectors	13052.8	13428.6	13317.3	13466.6	13515.2	13828.7	14472.6	14726.9	15083.6	15062.6	15295.9	15454.2	15785.0	15860.2	15738.4	15864.5	15819.7	16071.7	16153.1	16678.2	16839.9			
Other financial corporations	14.6	17.9	14.1	15.1	15.0	13.9	13.9	13.2	14.0	25.5	14.1	19.2	15.3	15.3	53.9	12.7	18.1	12.7	0.0	0.0	0.0			
State and local government	23.1	10.6	10.6	9.3	9.2	9.8	10.0	11.8	10.3	16.4	10.3	18.2	11.6	18.3	9.9	9.3	9.0	9.5	8.9	12.4	19.3			
Public nonfinancial corporations	192.2	197.1	202.2	191.0	197.0	195.2	204.2	222.7	225.0	1009.1	1055.6	1053.6	1053.8	168.4	123.8	124.1	128.0	134.0	134.5	131.6	144.3			
Other nonfinancial corporations	4175.9	4523.6	4238.8	4400.1	4373.9	4537.3	4715.5	4901.6	5061.5	4918.3	5032.4	5104.4	5336.7	5206.4	5622.3	5403.2	5371.0	5630.7	6093.0	6733.2	6527.0			
Other resident sectors	8647.1	8679.3	8851.6	8851.2	8920.1	9072.6	9529.0	9577.6	9772.7	9093.4	9183.5	9258.8	9387.6	10451.7	9928.5	10315.2	10293.7	10348.8	9916.6	9801.0	10149.3			
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			
Broad money liabilities	12494.0	13155.7	12990.8	12774.6	12839.2	12446.1	13228.4	13198.1	12433.7	12419.2	12701.3	12390.0	12757.9	12811.0	12821.6	13677.3	13599.3	14030.1	13208.5	13486.5	13626.7			
Currency outside depository corp.	513.3	536.5	547.8	521.1	577.0	562.8	539.0	575.0	543.7	529.7	547.1	554.0	560.0	566.4	555.0	569.2	608.8	569.6	595.3	637.6	584.6			
Transferable deposits	6425.4	6895.9	6746.7	6654.5	6883.7	6523.2	6967.0	6692.7	6343.4	6468.2	6764.4	6248.3	6397.6	6655.7	6634.4	7097.4	6972.8	7359.8	7198.7	7488.4	7496.1			
Other financial corporations	586.1	938.5	562.6	633.5	597.9	640.1	753.7	588.8	667.5	466.5	616.7	561.9	562.3	538.9	503.1	565.1	559.2	598.9	883.1	1013.4	977.0			
State and local government	52.5	58.3	62.4	50.2	39.7	47.8	55.2	37.4	48.8	68.3	76.1	66.5	69.2	83.4	64.4	145.3	82.8	124.9	91.3	81.1	85.3			
Public nonfinancial corporations	283.8	363.1	330.1	262.3	319.2	302.2	315.4	297.6	258.1	425.9	358.0	373.9	367.9	408.2	267.3	320.9	290.5	294.8	287.4	358.7	186.9			
Other nonfinancial corporations	3548.5	3665.6	3782.3	3753.3	3661.6	3475.8	3759.6	3707.8	3366.7	3526.6	3683.5	3368.6	3492.0	3674.5	4469.0	3764.0	3707.9	3849.4	3840.1	3829.8	3928.2			
Other resident sectors	1954.5	1870.5	2009.3	2124.6	2265.4	2057.3	2083.1	2081.1	2012.3	1980.9	2030.1	1887.4	1916.2	2050.9	2330.6	2302.2	2332.5	2492.8	2296.8	2205.4	2318.8			
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			
Less: Central bank float	0.0	0.0	0.0	8.7	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			
Other deposits	5555.3	5723.3	5696.3	5599.0	5378.5	5370.1	5722.4	5930.4	5546.7	5421.3	5389.8	5587.7	5900.4	5688.8	5632.2	6020.7	6017.6	6100.6	5414.5	5360.5	5545.9			
Other financial corporations	280.3	261.7	248.9	244.0	244.0	270.8	271.3	264.1	257.2	256.3	279.3	274.7	353.0	276.4	318.8	596.6	522.1	558.7	319.9	312.9	346.5			
State and local government	115.3	119.6	119.0	110.4	110.6	119.4	114.8	107.6	106.4	107.2	114.5	102.3	115.8	106.7	118.7	115.8	124.6	143.6	97.1	66.8	96.8			
Public nonfinancial corporations	284.8	241.5	212.2	202.3	187.3	306.0	369.0	379.1	371.4	349.0	375.8	395.9	393.3	393.6	363.3	369.2	368.0	375.7	350.9	411.3	394.4			
Other nonfinancial corporations	1708.8	1917.4	1916.6	1826.3	1608.1	1468.1	1755.8	1879.8	1531.2	1386.1	1375.0	1554.5	1517.8	1522.2	1530.1	1570.3	1521.8	1609.4	1751.4	1762.2	1935.8			
Other resident sectors	3186.1	3183.1	3199.5	3216.1	3227.5	3205.8	3211.5	3299.8	3280.4	3322.7	3245.1	3260.4	3420.4	3289.9	3301.3	3339.8	3481.1	3413.3	2894.9	2808.4	2774.4			
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			
Securities other than shares, incl 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	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	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, excl from broad money	1038.9	1244.9	1103.8	1049.1	1024.5	1056.9	1144.8	1236.5	1486.7	1471.4	1618.7	1608.3	1762.4	1701.6	78.0	43.6	43.6	43.6	43.6	842.1	43.6			
Loans	140.6	140.6	140.6	140.6	140.6	140.7	140.7	140.7	140.7	100.4	130.6	130.6	130.6	100.4	688.9	716.0	538.4	600.0	605.0	842.1	840.7			
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			
Trade credit and advances	4.8	3.2	4.5	5.2	4.3	4.7	3.8	4.4	4.4	5.2	5.5	5.6	4.3	8.9	4.3	36.7	104.8	123.0	125.3	126.0	167.2			
Shares and other equity	4225.9	4122.8	4326.3	4314.8	4377.9	4419.3	4352.9	4228.8	3906.9	3729.6	3856.3	3883.8	3744.6	3699.3	4040.4	4225.2	4263.8	4304.9	4459.8	4238.2	4444.3			
Other items (net)	-630.7	-952.5	-945.2	-1003.5	-946.1	-888.8	-921.4	-738.5	-956.9	-480.1	-357.5	-589.2	-530.5	-611.1	-617.0	-531.1	-966.5	-1233.5	-588.8	-391.6	-624.2			
Other liabilities (includes central bank float)	482.0	295.6	253.7	239.9	214.7	278.5	266.1	398.2	218.7	309.6	375.4	371.2	406.3	439.1	1436.0	1353.9	1150.7	1392.8	1770.7	1298.7	1244.9			
less: Other assets	-1087.5	-1232.2	-1145.0	-1106.6	-1087.7	-1084.1	-1126.3	-1184.8	-1188.7	-1250.0	-1083.3	-1183.7	-1370.3	-1351.9	-1776.7	-1894.0	-1554.6	-1798.1	-1918.8	-1454.9	-1622.0			
plus: Consolidation adjustment	-25.2	-15.9	-53.9	-136.8	-73.1	-83.2	-61.3	48.1	14.0	465.3	350.3	223.3	433.4	301.8	-276.3	9.0	-562.6	-828.2	-440.6	-253.4	-247.0			
Memoranda: Central bank float	0.0	0.0	0.0	-8.7	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			

TABLE III.4 OTHER DEPOSITORY CORPORATIONS CLAIMS ON OTHER SECTORS (end of period in N\$ Million)

	2002												2003											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
Loans	41566.2	43553.5	43454.3	43624.9	43849.9	44851.7	46674.2	47427.3	48750.4	46390.9	49690.1	50120.8	51135.9	16238.4	16098.2	16220.5	16176.5	16424.7	16565.3	17084.5	17248.6			
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	9.8	34.3	34.6	34.6	9.8	9.9	0.0	0.0	0.0	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	14.6	17.9	14.1	15.1	15.0	13.9	13.2	14.0	25.5	14.1	19.2	15.3	15.3	38.4	38.4	0.0	5.4	0.0	0.0	0.0	0.0			
Central government	34.9	66.7	75.2	73.3	59.9	56.3	31.5	32.2	108.4	91.3	93.8	91.8	76.9	77.8	60.8	52.2	53.7	41.7	41.9	42.8	45.1			
State and local government	23.1	10.6	10.6	9.3	9.2	9.8	10.0	11.8	10.3	16.4	10.3	18.2	11.6	18.3	5.2	4.5	4.2	4.7	4.1	7.6	14.6			
Public nonfinancial corporations	125.3	130.2	135.3	124.1	130.0	128.3	137.2	155.8	158.1	961.8	1008.4	1006.3	1006.5	121.1	123.8	124.1	128.0	134.0	134.5	131.6	144.3			
Other nonfinancial corporations (Buss.)	4157.8	4500.5	4219.3	4354.5	4328.3	4491.9	4672.4	4858.5	5046.4	4905.2	5011.8	5083.9	5316.1	5185.9	5551.9	5335.2	5302.6	5462.1	6071.5	6711.4	6504.9			
Loans and Advances	2949.6	3281.2	3005.4	3066.1	3116.9	3218.5	3397.3	3563.2	3675.6	3557.8	3635.4	3700.9	3917.2	3892.8	4128.9	3954.7	3902.6	4038.6	4652.5	5281.8	5067.0			
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	486.9	522.1	502.2	520.1	544.1	524.3	524.6	495.3	469.0	465.1	472.6	484.4	484.8	430.3	618.8	664.2	717.5	712.7	1352.1	1512.1	1468.8			
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	486.9	522.1	502.2	520.1	544.1	524.3	524.6	495.3	469.0	465.1	472.6	484.4	484.8	430.3	618.8	664.2	717.5	712.7	1352.1	1512.1	1468.8			
Overdrafts	2462.7	2759.1	2503.2	2546.0	2572.8	2694.2	2872.7	3067.9	3206.6	3092.7	3162.8	3216.5	3432.4	3462.4	3106.7	2903.4	2773.7	2942.4	3581.1	3419.0	3246.5			
Leasing	53.0	50.0	51.8	53.1	54.4	55.3	55.8	56.9	53.3	52.7	53.2	53.7	55.0	52.8	56.5	59.2	61.4	62.9	62.0	62.4	60.9			
Installment credit	447.8	449.6	454.8	469.3	484.6	500.9	505.5	515.3	508.5	501.9	506.8	520.8	532.3	434.4	546.3	552.0	563.7	568.6	585.0	601.4	614.7			
Other	725.6	742.9	726.8	811.7	717.9	762.7	756.9	766.2	824.2	805.9	837.0	820.0	832.1	826.4	820.2	769.3	775.0	792.0	772.1	765.8	762.4			
Other resident sectors (Individuals)	8631.7	8664.5	8836.5	8836.1	8905.3	9057.4	9513.4	9561.7	9756.2	9076.4	9166.1	9240.6	9349.1	10433.1	9909.9	10296.4	10274.3	10364.4	9896.5	9781.5	10130.2			
Loans and Advances	7029.8	7051.4	7203.6	7141.2	7196.9	7297.5	7726.2	7762.4	7907.7	7230.6	8193.5	8230.5	8331.6	8422.7	7992.5	8335.6	8324.3	8364.3	7879.8	7736.8	8022.2			
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	5034.4	5824.7	5946.6	5950.4	5987.1	6075.3	6156.7	6249.2	6335.0	5589.6	6530.1	6568.3	6622.8	5820.0	5319.8	5400.5	5440.1	5465.7	4959.5	4855.0	5063.6			
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	5034.4	5824.7	5946.6	5950.4	5987.1	6075.3	6156.7	6249.2	6335.0	5589.6	6530.1	6568.3	6622.8	5820.0	5319.8	5400.5	5440.1	5465.7	4959.5	4855.0	5063.6			
Overdrafts	1995.4	1226.8	1256.9	1190.7	1209.7	1222.1	1569.5	1513.2	1572.7	1641.0	1663.3	1662.2	1708.7	2802.7	1726.1	1556.9	1456.8	1652.6	1439.7	1436.1	1459.4			
Leasing	50.9	53.1	55.9	57.8	59.6	82.8	84.3	88.2	91.0	89.3	88.9	91.0	90.5	88.7	88.5	85.6	86.4	84.2	81.4	81.7	80.3			
Installment credit	1546.6	1555.4	1572.5	1632.8	1644.3	1672.8	1697.5	1705.4	1751.6	1750.2	1760.9	1796.3	1804.1	1903.1	1823.7	1871.5	1959.9	1912.1	1931.5	1959.2	2024.3			
Other	4.5	4.5	4.6	4.4	4.6	4.4	5.5	5.7	5.9	6.3	8.0	8.1	8.3	12.7	5.2	3.8	3.8	3.8	3.8	3.9	3.4			
Nonresidents	260.7	261.4	395.5	263.8	268.1	373.8	262.1	280.7	451.8	476.6	470.2	446.4	433.0	436.8	408.1	408.1	408.1	417.8	416.8	409.5	409.5			
Loans and Advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
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			
Installment 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 of period in N\$ Million)

	2002												2003											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
Total Deposits	11980.5	12619.1	12442.9	12244.6	12261.9	11893.1	12689.2	12623.0	11890.0	11889.5	12154.2	11836.0	12198.0	12244.5	12266.6	13118.1	12390.5	13460.4	12613.2	12848.9	13042.1			
Deposits included in broad money	6425.2	6896.8	6746.6	6645.6	6893.4	6523.0	6966.8	6692.7	6343.4	6468.2	6764.4	6248.3	6397.6	6655.7	6634.4	7097.4	6972.8	7359.8	7198.7	7488.4	7496.1			
Transferable deposits	6425.2	6896.8	6746.6	6645.6	6893.4	6523.0	6966.8	6692.7	6343.4	6468.2	6764.4	6248.3	6397.6	6655.7	6634.4	7097.4	6972.8	7359.8	7198.7	7488.4	7496.1			
In national currency	586.1	938.5	562.6	633.5	597.9	640.1	753.7	568.8	657.5	466.5	616.7	551.9	552.3	538.9	503.1	565.1	559.2	598.9	683.1	788.0	746.2			
Other financial corporations	52.5	58.3	62.4	50.2	39.7	47.8	55.2	37.4	49.8	68.3	76.1	66.5	69.2	83.4	64.4	145.3	82.8	124.9	91.3	81.1	85.			
State and local government	283.8	363.1	330.1	262.3	319.2	302.2	315.4	297.6	258.1	425.9	358.0	373.9	367.9	408.2	267.3	320.9	290.5	293.8	287.4	358.7	186.9			
Public nonfinancial corporations	3548.5	3666.6	3782.3	3575.3	3661.6	3475.8	3759.6	3707.8	3365.7	3526.6	3683.5	3368.6	3492.0	3574.5	3469.0	3764.0	3707.9	3849.4	3840.1	3829.8	3928.2			
Other nonfinancial corporations	1954.3	1870.4	2009.2	2124.3	2265.1	2057.1	2083.0	2081.0	2012.3	1980.9	2030.1	1887.4	1916.2	2050.9	2330.6	2302.2	2332.5	2492.8	2296.8	2205.4	2318.8			
Other resident sectors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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			
Other deposits	5555.3	5723.3	5696.3	5599.0	5378.5	5370.1	5722.4	5930.4	5546.7	5421.3	5389.8	5587.7	5900.4	5588.8	5632.2	6020.7	6017.6	5414.5	5360.5	5545.9	5545.9			
In national currency	5555.3	5723.3	5696.3	5599.0	5378.5	5370.1	5722.4	5930.4	5546.7	5421.3	5389.8	5587.7	5900.4	5588.8	5632.2	6020.7	6017.6	5414.5	5360.5	5545.9	5545.9			
Other financial corporations	280.3	261.7	248.9	244.0	244.0	270.8	271.3	264.1	257.2	256.3	279.3	274.7	353.0	276.4	318.8	596.6	522.1	568.7	319.9	312.9	345.5			
State and local government	115.3	119.6	119.0	110.4	110.6	119.4	114.8	107.6	106.4	107.2	114.5	102.3	115.8	106.7	118.7	115.8	124.6	143.6	97.1	65.8	96.8			
Public nonfinancial corporations	284.8	241.5	212.2	202.3	187.3	306.0	369.0	379.1	371.4	349.0	375.8	395.9	393.3	393.6	363.3	399.2	368.0	375.7	350.9	411.3	394.4			
Other nonfinancial corporations	1708.8	1917.4	1916.6	1826.3	1609.1	1468.1	1755.8	1879.8	1531.2	1386.1	1375.0	1554.5	1517.8	1522.2	1530.1	1570.3	1521.8	1609.4	1751.7	1762.2	1935.8			
Other resident sectors	3186.1	3183.1	3199.5	3216.1	3227.5	3205.8	3211.5	3299.8	3280.4	3322.7	3245.1	3280.4	3420.4	3289.9	3301.3	3339.8	3481.1	3413.3	2894.9	2808.4	2774.4			
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			
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			
Deposits excluded from broad money	1346.2	873.0	999.0	845.6	799.0	1022.1	1081.2	944.8	1085.7	1117.9	992.6	1302.3	1469.3	1376.6	1793.4	2171.2	2148.0	2258.2	2220.0	2179.0	2345.7			
Transferable deposits	991.5	546.0	669.7	564.9	521.0	711.0	831.7	620.5	691.5	740.4	613.7	952.8	1133.5	980.9	1370.4	1576.8	1561.7	1702.1	905.5	870.3	975.4			
In national currency	674.6	546.0	669.7	564.9	521.0	611.0	831.7	620.5	691.5	740.4	613.7	952.8	1133.5	980.9	1165.3	1385.5	1403.6	1550.0	751.5	722.5	822.3			
In foreign currency	316.9	0.0	0.0	0.0	0.0	100.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	206.1	191.4	158.2	152.2	154.0	147.8	153.1			
Other deposits	354.7	327.1	329.3	280.7	278.0	311.1	249.6	324.3	394.2	377.5	378.9	349.5	335.8	385.7	423.0	594.4	586.3	556.1	1314.5	1308.7	1370.3			
In national currency	354.7	327.1	329.3	280.7	278.0	311.1	249.6	324.3	394.2	363.7	378.9	349.5	335.8	385.7	423.0	594.4	586.3	556.1	1234.1	1233.9	1292.6			
In foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	80.5	74.9	77.7			

TABLE III.1 SELECTED INTEREST RATES: NAMIBIA AND SOUTH AFRICA

Period	Prime Lending		Average Lending		Treasury bills(3 month)		Deposit rate		Bank rate	Repo rate	
	Namibia	RSA	Namibia	RSA	Namibia	RSA	Namibia	RSA	Namibia	RSA	
1999	16.70	15.50	17.51	15.50	11.53	10.70	8.57	10.00	11.50	12.00	
2000	15.90	14.50	15.11	14.50	9.62	10.20	7.63	10.65	11.25	12.00	
2001	Jan	15.90	14.50	15.50	14.50	9.42	10.15	7.11	10.60	11.25	12.00
	Feb	15.90	14.50	15.23	14.50	9.31	10.12	7.20	10.60	11.25	12.00
	Mar	15.90	14.50	15.12	14.50	9.16	10.17	7.14	10.60	11.25	12.00
	Apr	15.90	14.50	15.12	14.50	9.05	10.34	7.14	10.55	11.25	12.00
	May	15.90	14.50	15.06	14.50	9.43	10.38	7.09	10.30	11.25	11.00
	Jun	14.50	13.75	16.09	14.14	9.52	9.99	7.01	10.00	10.75	11.00
	Jul	14.70	13.50	13.80	13.62	9.40	9.53	6.61	9.90	10.75	11.00
	Aug	14.50	13.50	13.57	13.50	9.41	9.37	6.48	9.37	10.75	9.50
	Sep	14.50	13.00	14.05	13.40	9.40	9.24	6.51	9.67	9.25	9.50
	Oct	14.00	13.00	13.78	13.00	9.24	8.87	6.47	9.45	9.25	9.50
	Nov	14.00	13.00	13.30	13.00	9.19	8.76	6.29	9.31	9.25	9.50
	Dec	14.00	13.00	13.76	13.00	9.13	9.20	6.48	9.25	9.25	10.50
2002	Jan	14.00	14.00	12.83	13.54	9.39	9.44	6.36	8.00	10.00	10.50
	Feb	14.75	14.00	12.50	14.00	9.95	9.43	6.85	9.00	10.00	11.50
	Mar	15.75	15.00	12.66	14.42	10.19	9.92	6.99	9.00	11.00	11.50
	Apr	15.75	15.00	13.28	15.00	10.65	10.60	7.43	10.50	11.00	11.50
	May	15.75	15.00	12.56	15.00	10.72	11.16	7.47	10.50	11.00	12.50
	Jun	16.75	16.00	13.58	15.54	11.27	11.44	7.67	11.00	12.00	12.50
	Jul	16.75	16.00	14.07	16.00	11.61	11.37	8.12	11.00	12.00	12.50
	Aug	16.75	16.00	14.05	16.00	11.35	11.43	8.12	11.00	12.00	13.50
	Sep	17.50	17.00	14.35	16.50	11.37	12.11	8.27	12.00	12.75	13.50
	Oct	17.50	17.00	15.95	17.00	12.13	12.61	8.59	12.00	12.75	13.50
	Nov	17.50	17.00	15.07	17.00	12.06	12.17	8.88	12.00	12.75	13.50
	Dec	17.50	17.00	15.15	17.00	11.93	12.27	8.96	12.00	12.75	13.50
2003	Jan	17.50	17.00	15.63	17.00	11.75	12.34	9.26	12.00	12.75	13.50
	Feb	17.50	17.00	15.04	17.00	11.51	12.63	9.34	12.00	12.75	13.50
	Mar	17.50	17.00	15.46	17.00	11.56	12.73	9.37	12.00	12.75	13.50
	Apr	17.50	17.00	15.41	17.00	11.68	12.74	9.35	12.00	12.75	13.50
	May	17.50	17.00	15.46	17.00	12.30	12.55	9.33	11.00	12.75	13.50
	Jun	17.50	15.50	16.16	16.13	11.95	11.21	9.66	9.50	11.50	12.00
	Jul	16.25	15.50	15.45	15.50	11.06	10.89	9.50	8.75	11.50	12.00
	Aug	15.50	14.50	14.74	14.94	10.28	10.25	8.93	8.00	10.75	11.00
	Sep	14.50	13.50	14.04	13.86	10.00	10.04	7.91	7.75	9.75	10.00
	Oct	13.00	12.00	13.72	12.89	9.01	8.22	8.04	6.75	8.25	8.50
	Nov	13.00	12.00	12.04	12.00	7.69	7.69	7.35	6.50	7.75	8.50
	Dec	12.00	11.50	12.91	11.75	7.35	7.31	6.88	6.10	7.75	8.00

CURRENT STATISTICS

Table III.1 ALLOTMENT OF GOVERNMENT OF NAMIBIA TREASURY BILLS

N\$ Million

Date Issued	Date Due	Deposit Money Banks	Other Banking Institutions	Banking Sector	Non-banking Financial Instit.	Other Public Enterprises	Private Sector	TOTAL	Amount Outstanding	
2003	Jan	.04/03	60.0	0.0	60.0	69.8	0.0	20.2	150.0	2996.2
	Jan	.04/03	111.5	0.0	111.5	86.0	0.0	2.3	199.8	3195.9
	Jan*	.07/03	196.9	0.0	196.9	1.7	0.0	1.4	200.0	3396.0
	Jan**	.01/04	83.3	0.0	83.3	16.7	0.0	0.0	100.0	3496.0
	Feb	.05/03	95.0	0.0	95.0	66.0	0.0	23.1	184.0	3030.0
	Feb	.05/03	125.2	0.0	125.2	68.0	0.0	26.8	220.0	3250.0
	Feb*	.08/03	186.6	0.0	186.6	13.4	0.0	0.0	200.0	3450.0
	Feb**	.02/04	93.6	0.0	93.6	6.4	0.0	0.0	100.0	3550.0
	Mar	.06/03	119.8	0.0	119.8	87.8	22.2	20.2	250.0	2183.9
	Mar*	.09/03	197.8	0.0	197.8	1.7	0.0	0.5	200.0	3418.4
	Mar**	.03/04	172.8	0.0	172.8	26.6	0.0	0.6	200.0	3618.4
	Apr	.07/03	38.0	0.0	38.0	45.4	0.0	15.0	98.4	2880.5
	Apr	.07/03	127.8	0.0	127.8	74.9	0.0	2.3	205.0	3085.5
	Apr*	.10/03	135.8	0.0	135.8	17.2	0.0	0.0	153.0	3238.5
	Apr*	.10/03	147.7	0.0	147.7	32.3	0.0	0.0	180.0	3418.5
	Apr**	.04/04	129.5	0.0	129.5	22.5	0.0	0.0	152.0	3570.5
	May	.08/03	23.0	0.0	23.0	111.3	0.0	4.7	139.0	3005.5
	May	.08/03	128.8	0.0	128.8	86.2	0.0	4.9	219.9	3225.5
	May*	.11/03	105.0	0.0	105.0	195.0	0.0	0.0	300.0	3525.5
	May**	.05/04	113.6	0.0	113.6	6.4	0.0	0.0	120.0	3645.4
	Jun	.09/03	156.1	0.0	156.1	78.7	0.0	20.2	255.0	3498.7
	Jun*	.12/03	91.0	0.0	91.0	9.0	0.0	0.0	100.0	3598.7
	Jun**	.06/04	127.0	0.0	127.0	23.1	0.0	0.0	150.0	3748.7
	Jun**	.06/04	236.5	0.0	236.5	13.4	0.0	0.1	250.0	3998.7
	Jul	.10/03	86.0	0.0	86.0	4.1	0.0	10.0	100.0	3595.3
	Jul*	.01/04	196.1	0.0	196.1	3.9	0.0	0.0	200.0	3795.3
	Jul*	.01/04	9.5	0.0	9.5	0.0	40.5	0.1	50.0	3845.3
	Jul**	.07/04	99.8	0.0	99.8	0.2	0.0	0.0	100.0	3945.3
	Aug	.11/03	291.2	0.0	291.2	54.4	0.0	4.4	350.0	3736.4
	Aug	.11/03	99.4	0.0	99.4	50.6	0.0	0.0	150.0	3886.3
	Aug*	.02/04	194.9	0.0	194.9	55.1	0.0	0.0	250.0	4136.3
	Sep	.12/03	147.2	0.0	147.2	97.6	35.0	20.2	300.0	3881.3
	Sep*	.03/04	391.4	0.0	391.4	8.1	0.0	0.5	400.0	4281.3
	Sep**	.09/04	281.9	0.0	281.9	68.2	0.0	0.0	350.0	4631.3
	Sep**	.09/04	224.7	6.0	230.7	19.3	0.0	0.0	250.0	4881.2
	Oct	.01/04	77.9	0.0	77.9	2.1	0.0	0.0	80.0	4478.3
	Oct*	.04/04	141.5	0.0	141.5	8.5	0.0	0.0	150.0	4628.3
	Oct*	.04/04	170.0	0.0	170.0	0.0	0.0	0.0	170.0	4798.3
	Oct**	.10/04	89.0	0.0	89.0	11.0	0.0	0.0	100.0	4898.3
	Nov	.02/04	244.0	0.0	244.0	4.0	0.0	2.0	250.0	4072.0
	Nov*	.05/04	104.1	0.0	104.1	45.9	0.0	0.0	150.0	4222.0
	Nov*	.05/04	253.7	0.0	253.7	44.3	0.0	2.0	300.0	4522.0
	Nov**	.11/04	306.9	0.0	306.9	24.2	0.0	0.0	331.1	4853.1
	Dec	.03/04	168.0	0.0	168.0	80.0	0.0	2.0	250.0	4453.1
	Dec*	.06/04	110.5	0.0	110.5	9.5	0.0	0.0	120.0	4573.1
	Dec**	.12/04	232.5	0.0	232.5	32.2	0.0	4.0	268.7	4841.2
2004	Jan	.04/04	50.0	0.0	50.0	0.0	0.0	0.0	50.0	4461.2
	Jan*	.07/04	207.5	0.0	207.5	12.5	0.0	0.0	220.0	4681.2
	Jan*	.07/04	98.4	0.0	98.4	1.6	0.0	0.0	100.0	4781.2
	Jan**	.01/05	80.0	0.0	80.0	0.0	0.0	0.0	80.0	4861.2

* means 182 day treasury bills

** means 365 day treasury bills

Table III.2 HOLDINGS OF GOVERNMENT OF NAMIBIA INTERNAL REGISTERED STOCK

N\$ Million

Date Issued	Date Due	Coupon Rate (%)	Deposit Money Banks	Other Banking Institutions	Banking Sector	Non-banking Financial Instit.	Other Public Enterprises	Private Sector	TOTAL	Amount Outstanding
2003										
Jan	04/15	13.00	18.0	0.0	18.0	0.0	0.0	0.0	18.0	3 035.5
Feb	07/07	12.50	29.0	0.0	29.0	0.0	0.0	0.0	29.0	3 064.5
Feb	04/15	13.00	9.0	0.0	9.0	0.0	0.0	0.0	9.0	3 073.5
Mar	07/07	12.50	5.0	0.0	5.0	0.2	15.0	0.0	20.2	3 093.7
Apr	0	0.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3 093.7
May	0	0.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3 093.7
Jun	07/07	12.50	33.0	0.0	33.0	0.7	0.0	0.1	33.8	3 127.5
Jun	01/10	12.00	5.7	0.0	5.7	0.0	0.0	0.0	5.7	3 133.2
Jun	04/15	13.00	30.0	0.0	30.0	0.0	0.0	0.0	30.0	3 163.2
Jun*	01/10	12.00	2.0	0.0	20.0	0.0	0.0	0.0	2.0	3 165.2
Jun*	04/05	12.00	-2.0	0.0	-2.0	0.0	0.0	0.0	-2.0	3 163.2
Jun*	04/15	13.00	12.1	0.0	12.1	0.0	0.0	0.0	12.1	3 175.3
Jun*	04/05	12.00	-13.0	0.0	-13.0	0.0	0.0	0.0	-13.0	3 162.3
Jul*	04/05	12.00	0.0	0.0	0.0	0.0	-5.0	0.0	-5.0	3 157.3
Jul*	04/15	13.00	0.0	0.0	0.0	0.0	4.7	0.0	0.5	3 162.0
Aug	07/07	12.50	5.0	0.0	5.0	5.3	10.0	0.0	20.3	3 182.3
Aug	01/10	12.00	10.0	0.0	10.0	0.0	0.0	0.2	10.2	3 192.5
Aug	04/15	13.00	63.3	0.0	63.3	0.0	10.0	1.7	75.0	3 267.5
Sep	.07/07	12.50	20.0	0.0	20.0	0.0	0.0	0.0	20.0	3 287.5
Sep	.01/10	12.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3 287.5
Sep	.04/15	13.00	22.0	0.0	22.0	0.0	18.0	0.0	40.0	3 327.5
Oct*	.04/05	12.00	-4.5	0.0	-4.5	0.0	0.0	0.0	-4.5	3 323.0
Oct*	.04/15	13.00	4.1	0.0	4.1	0.0	0.0	0.0	4.1	3 327.2
Nov*	.04/05	12.00	0.0	0.0	0.0	0.0	-14.4	0.0	-15.0	3 312.2
Nov*	.01/10	12.00	0.0	0.0	0.0	0.0	4.9	0.0	4.9	3 317.0
Nov*	.04/15	13.00	0.0	0.0	0.0	0.0	9.5	0.0	9.5	3 326.5
Dec	.07/07	12.50	99.6	0.0	99.6	0.0	0.0	0.4	100.0	3 426.5
Dec	.01/10	12.00	20.0	0.0	20.0	0.0	0.0	0.5	20.5	3 447.0
Dec	.04/15	13.00	81.0	0.0	81.0	0.0	0.0	0.3	81.3	3 528.3
Dec*	.04/05	12.00	-25.0	0.0	-25.0	0.0	0.0	0.0	-25.0	3 503.3
Dec*	.07/07	12.50	24.0	0.0	24.0	0.0	0.0	0.0	24.0	3 527.3
2004										
Jan	.01/10	12.00	0.0	0.0	0.0	0.0	7.0	0.1	7.1	3 534.4
Jan	.04/15	13.00	13.0	0.0	13.0	0.0	18.0	0.1	31.1	3 565.5

* Switch of GC05 into GC07, GC10 & GC15

Table III.3 GOVERNMENT REVENUE AND EXPENDITURE

N\$ Million

	Actual 1999/00	Actual 2000/01	Actual 2001/02	Actual 2002/03	Revised 2003/04
REVENUE AND GRANTS					
Taxes on income and profits	2315.0	2610.0	3285.6	4442.3	3758.0
Taxes on property	47.0	63.0	64.1	79.3	90.0
Domestic taxes on goods and services	1944.0	1945.0	2107.4	2135.7	2821.0
Taxes on international trade	2241.0	2877.0	2641.2	2596.9	3035.7
Other taxes	51.0	55.0	67.6	75.6	80.0
Total Tax Revenue	6598.0	7550.0	8166.0	9329.8	9784.7
Entrepreneurial and property income	402.7	461.9	463.4	703.2	663.4
Fines and forfeitures	10.9	21.4	18.2	19.6	20.0
Administration fees and charges	171.6	231.8	254.0	382.3	275.7
Return on capital from lending and equity	20.1	20.9	21.4	15.9	35.8
Total Non-Tax Revenue	605.3	736.0	757.1	1121.1	994.9
Total revenue (own sources)	7203.3	8286.0	8923.0	10450.9	10779.6
Grants			58.1	34.4	55.9
Loans earmarked for on-lending	68.5	56.9	116.8	76.8	0.0
TOTAL REVENUE AND GRANTS	7271.8	8342.9	9097.9	10562.1	10835.5
EXPENDITURE					
Current Expenditure					
Personnel expenditure	3618.7	3964.9	4325.5	4708.9	5201.2
Expenditure on goods and other services	1583.3	1637.3	1977.3	1993.6	2027.3
Statutory	512.9	512.0	602.7	907.6	877.4
Subsidies and other current transfers	1168.8	1510.5	1769.2	1892.8	2261.3
Total Current Expenditure	6883.7	7624.7	8674.7	9503.0	10367.2
Capital Expenditure					
Capital expenditure	918.0	929.0	1267.0	1158.7	1364.1
Capital transfers	30.0	32.6	25.0	87.2	112.7
Total lending and equity participation	121.0	122.0	335.7	649.7	400.0
Total Capital Expenditure	1069.0	1083.6	1627.7	1895.7	1876.8
TOTAL EXPENDITURE	7952.7	8708.3	10302.4	11398.7	12244.0
OVERALL DEFICIT (-)/SURPLUS (+)	-680.9	-365.4	-1204.5	-836.6	-1408.5
TOTAL FINANCING					
Net borrowing	829.0	280.0	1206.5	699.3	0.0
Decrease (+)/increase (-) in cash balances	-148.0	85.0	-2.0	137.7	0.0
TOTAL FINANCING	681.2	365.1	1204.5	836.6	1408.5

CURRENT STATISTICS

Table IV.1 CURRENT ACCOUNT (a)

N\$ Million

	2001	2002(p)					2003(p)				
		Q1	Q2	Q3	Q4	2002	Q1	Q2	Q3	Q4	2003
1. Merchandise trade balance (2-3)	-1710.8	-259.9	-1065.7	-232.0	-625.6	-2183.1	-1089.3	-668.7	-631.6	-1104.3	-3493.9
2. Exports fob	9828.2	2995.1	2944.9	2597.1	2740.6	11277.8	2007.4	2493.2	2676.9	2272.7	9450.1
Diamonds	4508.9	1240.7	1735.9	1177.3	1454.4	5608.3	729.0	1209.7	1189.6	736.2	3864.6
Other mineral products	1672.5	745.0	453.4	523.3	384.7	2106.4	373.0	323.4	360.0	324.8	1381.2
Food and live animals	1399.9	401.6	371.6	511.8	347.9	1632.8	290.1	463.6	390.8	289.2	1433.7
Manufactured products	1599.1	463.6	361.2	359.8	523.2	1707.8	584.1	467.0	719.3	901.1	2671.5
Other commodities	647.9	144.1	22.9	24.9	30.5	222.4	31.1	29.5	17.2	21.4	99.1
3. Imports fob	-11539.0	-3254.9	-4010.6	-2829.1	-3366.2	-13460.8	-3096.7	-3161.9	-3308.5	-3377.0	-12944.0
4. Services (net)	-103.9	25.9	90.6	144.1	135.9	396.5	236.0	230.1	313.7	159.0	938.7
Transportation (net)	-347.5	-117.9	-150.6	-97.1	-128.1	-493.7	-92.4	-116.3	-130.9	-116.7	-456.3
Travel (net)	1116.9	344.7	440.5	449.2	467.7	1702.1	473.5	504.2	548.2	508.6	2034.5
Insurance (net)	-120.4	-30.3	-31.6	-30.0	-30.4	-122.3	-31.0	-26.8	-38.4	-34.8	-131.0
Other private services* (net)	-738.2	-162.6	-162.3	-173.7	-170.2	-668.9	-126.7	-147.4	-83.5	-214.3	-571.9
Other government services (net)	-14.8	-7.9	-5.4	-4.3	-3.2	-20.8	12.4	16.4	18.3	16.2	63.4
5. Compensation of employees (net)	-7.5	-1.4	-1.4	-5.2	-5.0	-13.1	-6.8	-6.8	-6.8	-6.8	-27.3
6. Investment income (net)	-651.4	-502.2	-24.5	855.8	-5.4	323.5	629.0	180.5	420.5	332.2	1562.2
Income received	1665.0	386.6	424.8	444.5	504.1	1760.0	465.9	503.1	542.0	560.3	2071.2
Direct investment	18.3	9.3	1.2	2.2	2.9	15.6	2.3	10.2	5.2	9.0	26.7
Portfolio investment	52.1	13.7	29.8	34.8	39.4	117.8	26.9	13.8	8.8	16.5	66.1
Other investment	1594.6	363.5	393.8	407.5	461.8	1626.6	436.6	479.1	527.9	534.8	1978.5
Income paid	-2316.4	-888.9	-449.3	411.3	-509.6	-1436.5	163.1	-322.6	-121.5	-228.1	-509.1
Direct investment	-2078.1	-692.8	-383.3	470.1	-425.8	-1031.8	206.3	-228.1	-15.4	-95.2	-132.3
Portfolio investment	-131.9	-168.2	-30.6	-33.3	-35.8	-267.9	-32.2	-29.0	-26.1	-40.9	-128.3
Other investment	-106.4	-27.8	-35.4	-25.6	-47.9	-136.8	-10.9	-65.6	-80.0	-92.0	-248.5
7. Goods, services and income balance (2 to 6)	-2473.6	-737.6	-1001.0	762.7	-500.2	-1476.1	-231.1	-264.9	95.7	-620.0	-1020.3
8. Current transfers in cash and kind (net)	2982.5	804.7	692.6	683.5	712.0	2892.7	900.4	942.5	886.1	889.3	3618.3
Gov't - current transfers	2871.0	778.6	666.4	654.6	677.3	2776.9	859.4	901.5	848.2	849.3	3458.4
- development assistance	263.5	73.5	67.4	67.7	73.1	281.7	109.6	98.6	99.6	106.6	414.5
- from SACU	2700.2	660.3	649.2	649.2	649.2	2607.9	649.2	758.9	758.9	758.9	2925.9
- withholding taxes	109.2	25.9	12.0	5.6	35.7	79.2	16.9	6.0	18.4	0.5	41.8
- other transfers received	73.2	84.3	0.0	0.0	0.0	84.3	146.0	55.0	0.0	18.3	219.4
- transfer debits (mainly SACU)	-275.1	-65.3	-62.3	-67.9	-80.7	-276.2	-62.4	-17.0	-28.7	-35.0	-143.1
Private - current transfers	111.5	26.0	26.2	28.9	34.7	115.9	41.0	40.9	37.9	40.0	159.9
- grants received by NGO's	101.1	23.4	23.6	25.3	31.1	103.5	33.4	33.3	30.3	32.4	129.5
- other transfers (net)	10.4	2.6	2.6	3.6	3.6	12.4	7.6	7.6	7.6	7.6	30.4
9. Total current account balance (7+8)	509.0	67.1	-308.4	1446.2	211.9	1416.7	669.2	677.6	981.9	269.3	2598.0

(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) means provisional

CURRENT STATISTICS

Table IV.2 CAPITAL AND FINANCIAL ACCOUNT (a)

N\$ Million

	2001	2002(p)					2003(p)				
		Q1	Q2	Q3	Q4	2002	Q1	Q2	Q3	Q4	2003
1.Net capital transfers	815.7	265.0	284.6	300.8	315.4	1165.7	306.0	309.1	326.5	267.5	1209.1
2.Direct investment abroad	109.0	32.1	20.8	19.3	-18.3	53.9	8.5	1.9	-14.1	50.5	46.8
Equity capital	-1.6	3.0	1.2	2.2	0.0	6.4	3.6	0.0	0.0	0.0	3.6
Reinvested earnings	17.1	9.0	0.9	0.9	0.5	11.4	-1.1	6.8	1.2	4.2	11.3
Other capital	93.5	20.1	18.7	16.2	-18.8	36.2	5.9	-4.9	-15.3	46.2	31.9
3.Direct investment in Namibia	3143.8	1105.1	793.9	-187.5	200.2	1911.7	425.3	310.4	-288.4	184.5	631.8
Equity capital	3021.0	530.7	492.8	301.9	99.6	1425.0	214.3	123.4	-115.6	19.4	241.5
Reinvested earnings	909.7	413.6	242.7	-548.8	43.8	151.3	-399.6	144.1	-193.0	66.0	-382.4
Other capital	-786.9	160.7	58.5	59.5	56.8	335.4	610.6	42.9	20.3	99.0	772.8
4.Portfolio investment	-1659.2	-312.6	-321.1	-473.7	-533.8	-1641.2	-268.4	-560.7	-466.9	-581.8	-1877.9
Equity											
Assets	-1480.2	-312.6	-334.2	-381.4	-413.4	-1441.6	-269.3	-410.7	-419.8	-452.2	-1552.1
Liabilities	247.0	76.9	84.5	83.4	73.0	317.8	75.5	19.2	59.6	51.4	205.6
Debt											
Assets	-60.5	-15.9	-15.3	-16.4	-15.8	-63.4	-13.5	-19.0	-13.8	-17.0	-63.2
Liabilities	-365.4	-61.0	-56.2	-159.3	-177.5	-454.0	-61.1	-150.2	-92.9	-164.0	-468.2
5.Other investment - long term	-2983.0	-290.3	-140.6	-825.0	-791.4	-2047.3	-661.7	-741.1	-880.5	-811.0	-3094.4
General Government	118.0	250.0	530.3	4.3	87.4	872.0	30.4	136.9	36.9	78.7	283.0
Assets	-23.7	-6.5	-6.9	-5.7	-5.2	-24.4	-4.8	-6.9	-8.9	-11.0	-31.6
Drawings on loans received	158.2	260.7	544.1	12.1	103.6	920.5	39.3	152.9	54.9	119.5	366.6
Repayments on loans received	-16.5	-4.2	-6.9	-2.1	-11.0	-24.2	-4.0	-9.1	-9.0	-29.8	-51.9
Monetary authorities	0.0	0.0	0.0	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0
Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Banks	0.0	0.0	0.0	0.0	0.0	0.0	2.8	4.7	-83.7	2.9	-73.3
Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	-79.8	0.0	-79.7
Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other sectors	-3101.0	-540.3	-670.8	-829.3	-878.9	-2919.3	-694.9	-882.8	-833.7	-892.6	-3304.1
Assets	-3047.9	-531.2	-636.3	-800.5	-871.2	-2839.3	-702.6	-844.3	-933.4	-918.3	-3398.6
Liabilities	-53.2	-9.1	-34.5	-28.8	-7.6	-80.0	7.6	-38.5	99.7	25.7	94.5
6.Other investment - short term	477.5	-849.6	-514.0	395.9	1377.7	409.9	-488.3	340.4	-104.9	575.9	323.2
General Government - Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Banks	865.5	-836.5	-558.8	442.7	1592.0	639.4	-430.8	368.3	-108.0	553.1	382.6
Assets	281.2	-728.1	-535.3	466.2	1143.9	346.7	-450.2	-374.3	54.2	821.1	50.8
Liabilities	584.3	-108.4	-23.5	-23.5	448.1	292.7	19.4	742.6	-162.2	-268.0	331.8
Other sectors	-388.0	-13.1	44.8	-46.8	-214.3	-229.5	-57.5	-27.9	3.1	22.8	-59.4
Assets	-464.3	0.2	-1.7	-30.0	-161.1	-192.7	-34.6	-0.9	3.8	-38.8	-70.4
Liabilities	76.3	-13.3	46.5	-16.8	-53.2	-36.8	-22.9	-27.0	-0.7	61.7	11.0
7.CAPITALAND FINANCIALACCOUNT BALANCE EXCLUDING RESERVES(b)	-96.1	-50.3	123.6	-770.2	549.7	-147.2	-678.6	-340.1	-1428.3	-314.5	-2761.4
8.Net errors and omissions	305.5	0.5	-207.5	-73.6	-798.5	-1079.1	-689.5	-348.0	452.3	-27.5	-612.6
9.OVERALLBALANCE	718.4	17.3	-392.3	602.4	-37.0	190.4	-698.8	-10.5	5.9	-72.6	-776.0

(a) Debit (negative) entries record an increase in foreign financial assets, a decrease in financial liabilities, or a capital outflow (deficit). Credit (positive) entries record a reduction in foreign financial assets, an increase in foreign financial liabilities, or a capital inflow (surplus).

(b) Represents net identified capital transactions other than reserves.

(P) Provisional.

Table IV.3 Foreign Exchange Rates

Foreign currency per Namibia Dollar

Period Averages

Period	US Dollar USD	UK Pound GBP	Germany Mark DEM	Japan Yen JPY	Switzerland Franc CHF	Spain Peseta ESP	EU ECU XEU
1990	0.3866	0.2176	0.6242	55.9085	0.5367	39.3855	-
1991	0.3628	0.2052	0.6003	48.7735	0.5186	37.6005	-
1992	0.3510	0.1995	0.5478	44.4427	0.4932	35.8904	0.2713
1993	0.3065	0.2040	0.5064	34.0352	0.4529	38.8924	0.2618
1994	0.2818	0.1842	0.4577	28.4215	0.3857	37.7888	0.2383
1995	0.2757	0.1750	0.3953	25.9388	0.3262	34.3790	0.2134
1996	0.2343	0.1504	0.3520	25.4332	0.2889	29.6288	0.1871
1997	0.2173	0.1327	0.3765	26.2794	0.3153	31.7830	0.1922
1998	0.1823	0.1101	0.3214	23.7756	0.2646	27.2892	0.1629
1999	0.1636	0.1011	0.3001	18.6109	0.2456	25.4776	0.1535
2000	0.1465	0.0955	0.3062	15.5972	0.2441	26.6007	0.1564
2001 Jan	0.1287	0.0870	0.2678	15.0376	0.2094	22.7790	0.1369
Feb	0.1280	0.0880	0.2775	14.8588	0.2131	23.0947	0.1388
Mar	0.1269	0.0877	0.2572	15.3610	0.2141	23.2019	0.1375
Apr	0.1237	0.0863	0.2712	15.3139	0.2120	23.0947	0.1387
May	0.1255	0.0881	0.2808	15.2672	0.2202	23.8663	0.1436
Jun	0.1241	0.0885	0.2620	15.1745	0.2214	24.2131	0.1454
Jul	0.1220	0.0863	0.2775	15.1976	0.2148	23.5849	0.1419
Aug	0.1204	0.0837	0.2613	14.6199	0.2024	22.2222	0.1336
Sep	0.1159	0.0793	0.2491	13.7741	0.1903	21.1864	0.1273
Oct	0.1079	0.0743	0.2351	13.0890	0.1762	19.8020	0.1191
Nov	0.1028	0.0716	0.2259	12.5945	0.1697	19.2678	0.1158
Dec	0.0866	0.0602	0.1897	11.0865	0.1431	16.1290	0.0970
2002 Jan	0.0861	0.0601	0.1906	17.3611	0.1437	16.2075	0.0975
Feb	0.0871	0.0612	0.1958	11.6279	0.1479	16.6667	0.1000
Mar	0.0870	0.0612	0.1939	11.4025	0.1459	19.7628	0.0994
Apr	0.0903	0.0629	0.1019	11.8064	0.1514	0.1019	0.1019
May	0.0985	0.0675	0.1074	12.4533	0.1565	0.1074	0.1074
Jun	0.0986	0.0665	0.1032	12.1803	0.1538	0.1032	0.1032
Jul	0.0989	0.0636	0.0996	11.6686	0.1457	0.0996	0.0996
Aug	0.0944	0.0614	0.0966	11.2360	0.1413	0.0966	0.0966
Sep	0.0943	0.0606	0.0961	11.3766	0.1409	0.0961	0.0961
Oct	0.0968	0.0622	0.0987	11.9904	0.1446	0.0987	0.0987
Nov	0.1036	0.0659	0.1035	12.5945	0.1519	0.1035	0.1035
Dec	0.1116	0.0704	0.1096	13.6240	0.1609	0.1096	0.1096
2003 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

Table IV.4 EFFECTIVE EXCHANGE RATES 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
1991		105.1	162.0	128.0	40.4	75.2	53.6
1992		104.7	157.8	126.2	41.9	80.2	56.3
1993		104.2	157.2	125.6	41.4	82.9	56.8
1994		103.5	147.4	121.6	41.9	82.3	57.0
1995		103.0	141.4	119.0	42.4	83.0	57.6
1996		102.2	129.6	113.8	42.5	78.8	56.3
1997		102.1	123.4	111.3	99.3	108.9	103.6
1998		101.1	110.5	105.2	97.9	99.9	98.8
1999		100.5	103.9	102.0	99.1	98.9	99.0
2000		100.1	100.5	100.2	100.5	101.0	100.7
2001	Jan	99.5	94.4	97.1	101.5	98.7	100.2
	Feb	99.5	95.1	97.5	101.9	99.7	100.9
	Mar	99.4	94.9	97.3	102.3	100.2	101.3
	Apr	99.4	94.3	97.1	102.3	99.5	101.0
	May	99.5	95.5	97.7	102.1	100.4	101.3
	Jun	99.4	95.6	97.6	102.9	101.5	102.2
	Jul	99.4	94.5	97.2	102.4	100.7	101.6
	Aug	99.2	92.4	96.0	102.4	98.4	100.6
	Sep	98.9	89.3	94.4	102.6	95.7	99.4
	Oct	98.6	85.7	92.5	102.5	92.4	97.8
	Nov	98.3	83.8	91.4	102.3	90.8	96.9
	Dec	97.4	75.2	86.6	101.8	82.1	92.3
2002	Jan	97.7	77.3	87.8	101.6	84.9	93.6
	Feb	97.5	76.3	87.2	101.3	84.1	93.0
	Mar	97.5	77.0	87.6	102.2	86.0	94.5
	Apr	96.4	53.7	73.8	101.3	60.3	80.0
	May	96.7	56.0	75.4	101.7	63.1	81.9
	Jun	96.6	55.3	75.0	101.7	62.7	81.6
	Jul	96.5	53.8	74.0	102.3	61.9	81.4
	Aug	96.3	52.7	73.2	101.7	60.5	80.2
	Sep	96.2	52.4	72.9	102.4	60.9	80.8
	Oct	96.4	53.3	73.6	102.6	62.2	81.7
	Nov	96.7	55.2	75.0	103.4	64.9	83.6
	Dec	97.1	57.6	76.5	104.7	68.1	86.1
2003	Jan	97.2	57.9	76.8	104.1	68.7	86.2
	Feb	97.2	59.5	77.8	103.7	70.2	86.9
	Mar	97.6	61.2	78.9	103.2	71.8	87.5
	Apr	97.9	63.1	80.1	102.9	73.7	88.4
	May	97.7	61.9	79.4	103.8	73.0	88.4
	Jun	97.5	60.1	78.2	104.9	71.6	88.2
	Jul	97.8	62.6	94.0	109.5	72.7	97.6
	Aug	98.0	64.2	95.0	109.5	74.3	98.3
	Sep	98.0	64.3	95.1	109.8	74.5	98.4
	Oct	98.1	64.5	95.2	109.7	74.5	98.4
	Nov	98.3	65.6	96.0	110.5	76.1	99.5
	Dec	98.3	65.6	96.1	109.5	75.7	99.1

9. BoN WEBSITES

To facilitate quicker access to the Bank of Namibia (BoN) documents available on the BoN Website (www.bon.com.na), frequently accessed documents have been given a special URL. By keying in the URL, which can also be saved in 'Favourites', the visitor can directly reach the desired document on the BoN Website.

The documents available on special URL are:

The Quarterly Bulletin: <http://www.bon.com.na/quarterly.htm>

The Annual Report: http://www.bon.com.na/annual_report.htm

Occasional Research Papers: http://www.bon.com.na/research_papers.htm

Ofuto NPS Newsletter: http://www.bon.com.na/Newsletter/news_letter.htm

Governor's Speeches: <http://www.bon.com.na/speeches.htm>

Monthly Selected Statistics: <http://www.bon.com.na/stat.asp>

Exchange Control Information: <http://www.bon.com.na/exchange.htm>

Banking Regulation: <http://www.bon.com.na/banking.htm>

The National Payment System: <http://www.bon.com.na/national%20payment%20sys.htm>

Market Information: <http://www.bon.com.na/Market.htm>