

# **BANK OF NAMIBIA**

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NAMIBIA

### **Bank of Namibia**

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# Bank of Namibia

## Corporate Charter

### VISION

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

### MISSION

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

### VALUES

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

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

## LIST OF ABBREVIATIONS

BoN	Bank of Namibia
CBS	Central Bureau of Statistics
CMA	Common Monetary Area
CPI	Consumer Price Index
CPIX	Consumer Price Index excluding mortgage loans (South Africa)
DCS	Depository Corporation Survey
ECB	European Central Bank
EU	European Union
Euro	European Union currency
€	European Union currency
EUROSTAT	European Union Statistical Office
FCS	Financial Corporations Survey
F.O.B	Free on Board
GC07	Government internal registered stock maturing in 2007
GC10	Government internal registered stock maturing in 2010
GC15	Government internal registered stock maturing in 2015
GC24	Government internal registered stock maturing in 2024
GDP	Gross Domestic Product
M2	Broad Money supply
MoF	Ministry of Finance
N\$	Namibia Dollar
NAD	Namibian Dollar
NCP	Namibia Consumer Price Index
NEER	Nominal effective exchange rate
NFA	Net Foreign Assets

## LIST OF ABBREVIATIONS (CONTINUED)

NFL	Net Foreign Liabilities
NPLs	Non-performing Loans
NSX	Namibia Stock Exchange
ODCs	Other Depository Corporations
Q1	Quarter 1
Q2	Quarter 2
Q3	Quarter 3
Q4	Quarter 4
REER	Real Effective Exchange Rate
RHS	Right Hand Side
Repo	Repurchase rate
RSA	Republic of South Africa
SA	South Africa
SACU	Southern Africa Customs Union
SARB	South African Reserve Bank
Stats SA	Statistics South Africa
T-bills	Treasury bills
UK	United Kingdom
US	United States
USD	United States Dollar
US\$	United States Dollar
VAT	Value Added Tax
£	Pound Sterling

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## 1. SUMMARY OF ECONOMIC CONDITIONS

The global economic recovery that gained momentum during the third quarter of 2006 continued in the fourth quarter of 2006. In the United States, real GDP saw a rebound, increasing by a higher rate than during the previous quarter. This growth was led by increased consumer spending, an improvement in the trade deficit and by stronger business capital spending. Japan, the world's second largest economy also grew at a stronger than expected rate during the fourth quarter, while output of the Euro-zone increased from that during the third quarter. In China, growth was still high, although it moderated from the pace recorded during the third quarter. The slowdown in the economic growth in China was a result of monetary policy tightening.

In line with the developments in the major economies of the world, economic activity in South Africa also picked up during the fourth quarter, as evidenced by the acceleration in the annual real rate of GDP growth. The main contributors to economic growth were increases in the activities of the manufacturing, finance, real estate and business services sectors. In terms of price developments, the last three months of 2006 saw the South African consumer price inflation, excluding mortgage rates (CPIX) remaining steady at 5.0 percent, within the reserve bank's target range of 3-6 percent.

The Namibian economy also indicated recovery in some economic activities during the fourth quarter of 2006, after growing at slower paces during the three preceding quarters of the year. Expansions were observed in the agriculture, electricity and water, and construction sectors. The transport and communication, producers of government services, wholesale and retail trade, repair of motor vehicles and hotels and restaurants sectors, also recorded positive growth rates, albeit slower when compared to the strong expansions observed during the same period in 2005. The performance of the mining and quarrying sector was, on the other hand, subdued.

Inflation in Namibia accelerated during the fourth quarter of 2006 to an average of 6.0 percent from 4.7 percent during the third quarter. The rise in the overall inflation rate during the fourth quarter of 2006 was mainly attributed to increases observed in the inflation of the categories of *food and non-alcoholic beverages; housing, water, electricity, gas and other fuels and transport*.

To contain inflationary pressure, the Bank of Namibia adjusted the Bank rate upward to 9.00 percent in the fourth quarter from 8.00 percent in the third quarter. Although, the Bank rate was kept constant during February 2007, the increasing inflationary pressure remains a concern, and the Bank of Namibia stands ready to further adjust policy should monetary conditions so demand.

Despite the tightening of monetary policy, growth in money supply accelerated during the fourth quarter of 2006. The quarter-on-quarter growth in broad money supply rose to 4.8 percent from 4.7 percent recorded during the previous quarter. The rise in the broad money supply during the quarter was mainly driven by foreign assets, which was caused by excess liquidity in the market, supported by robust credit growth.

The fiscal performance in Namibia was characterized by the decline in total central government liability by 0.9 percent during the third fiscal quarter of 2006/07 compared to an increase of 3.0 percent recorded during the preceding fiscal quarter. In relation to GDP, total outstanding debt decreased slightly to 30.7 percent from 31.0 percent recorded in the previous quarter of 2006/07.

The Namibian balance of payments continued recording a current account surplus and a capital and financial account deficit during the fourth quarter of 2006. The outcome in each account was substantially higher than the result recorded during the preceding quarter and the corresponding period of 2005. As a consequence, the overall balance of the balance of payments continued recording a surplus during the fourth quarter of 2006, though lower than that recorded for both the preceding quarter and corresponding quarter of 2005.

On the exchange rate front, the last three quarters of 2006 saw the continuation of the depreciation of the Namibia Dollar against major currencies of the world, namely the US Dollar, British Pound and the Euro. The rates of depreciation during the fourth quarter of 2006, however, slowed down, quarter-on-quarter, though accelerated year-on-year. The depreciation was mainly attributed to movements in the US Dollar against other currencies, emerging market jitters, and the high level of the South African current account deficit.



## 2. INTERNATIONAL DEVELOPMENTS

The global economy continued to expand in the fourth quarter of 2006 aided by the strengthening of economic activities in the US economy from its third quarter performance. Additionally, the Euro-zone and China continue to show the same solid growth in the fourth quarter, though at a lower rate than the third quarter of 2006 in the case of China. Thriving investment activities continue to be the main driver of China's economic growth. Growth in Japan also improved substantially during the fourth quarter. Energy price developments continue to largely influence inflation rates. Monetary tightening continued in the fourth quarter, however, the tightening cycle is expected to moderate for the major central banks. The possibility of a renewed increase in oil prices and concerns about disorderly resolution of global economic imbalances remain the main risks to the global economic outlook.

Real GDP in the US increased at an annual rate of 2.2 percent in the fourth quarter, compared to 2.0 percent in the third quarter. The recorded increase of 2.2 percent in the fourth quarter is owed to better consumer spending, an improvement in the trade deficit, and an ongoing solid pace in business capital spending. Japan's economy grew at a stronger than expected annual rate of 4.8 percent in the fourth quarter, higher than the forecasted growth of 3.9 percent. The recorded 4.8 percent is the fastest growth rate in almost three years. China's growth rate moderated from 10.6 percent in the third quarter to 10.4 percent in the fourth quarter. The central bank of China raised interest rates twice and increased the reserve ratio requirement of commercial banks three times in 2006 in order to restrain credit extension. These measures resulted in lower economic growth. Real GDP in the Euro-zone increased from an annual rate of 2.7 percent in the third quarter to 3.3 percent in the fourth quarter.

South Africa's annual economic growth rate increased in the fourth quarter to 5.6 percent from an annual growth rate of 4.5 percent in the third quarter. The major contributors to the fourth quarter increase were: the manufacturing industry which contributed 1.4 percentage points; the finance, real estate and business services industry with 1.0 percentage point; and the wholesale trade, hotels and restaurants industry which contributed 0.8 percentage points. The storage and communication industry also contributed 0.5 percentage points. The exchange rate of the Rand weakened further in the fourth quarter as uncertainty among foreign investors prevailed against the backdrop of the current account deficit. The Rand recorded an average exchange rate of 7.3161 against the US Dollar in the fourth quarter, compared to an average of 7.1498 in the third quarter. Preliminary estimates suggest that the deficit on the current account might have widened significantly in the fourth quarter of 2006 following an increase in the trade deficit, which more than doubled from the preceding quarter. South Africa's CPIX (headline inflation excluding mortgage costs) quarterly average remained steady at 5.0 percent in the fourth quarter as in the third quarter. The producer price index (PPI) declined to 9.8 percent in the fourth quarter from a 10.7 percentage increase in the third quarter. Despite these price developments, the Reserve Bank increased the repo rate in December 2006 to 9 percent, as indicated under the Monetary Statistics Section of this Report.

### 3. REAL SECTOR AND PRICE DEVELOPMENTS

#### 3.1 REAL ECONOMIC DEVELOPMENTS<sup>1</sup>

Despite tighter monetary conditions, economic activities showed some improvements during the fourth quarter of 2006, after growing slowly during the three preceding quarters of the year (Table 3.1). Strong expansions were observed in the agriculture, electricity and water, and construction sectors. The transport and communication, producers of Government services, wholesale and retail trade, repair of motor vehicles and hotels and restaurants sectors, also recorded positive growth rates, albeit slower than the strong expansions observed during the same period in 2005. The performance of the mining and quarrying and the financial intermediation sectors were, on the other hand, subdued.

#### 3.2 SECTORAL DEVELOPMENTS<sup>2</sup>

**Table 3.1 Quarterly GDP growth rates for the third and fourth quarters of 2006**

Sector	As published in December 2006 Quarterly Bulletin Q3 (2006)	As revised in March 2007 Quarterly Bulletin Q3 (2006)	As published in March 2007 Quarterly Bulletin Q4 (2006)
Agriculture, hunting and forestry	-13.5	-10.1	14.4
Mining and quarrying	28.1	18.2	0.2
Electricity and water	-1.4	-6.1	3.0
Construction	-22.4	-8.5	14.7
Wholesale and Retail Trade	1.7	6.4	4.1
Hotels and Restaurants	23.6	22.9	9.3
Transport and communication	7.5	14.9	6.7
Producers of Government Services	0.8	0.9	1.7
Financial Intermediation	-0.5	-0.5	0.1

Source: CBS

##### 3.2.1 Performance of the primary industry

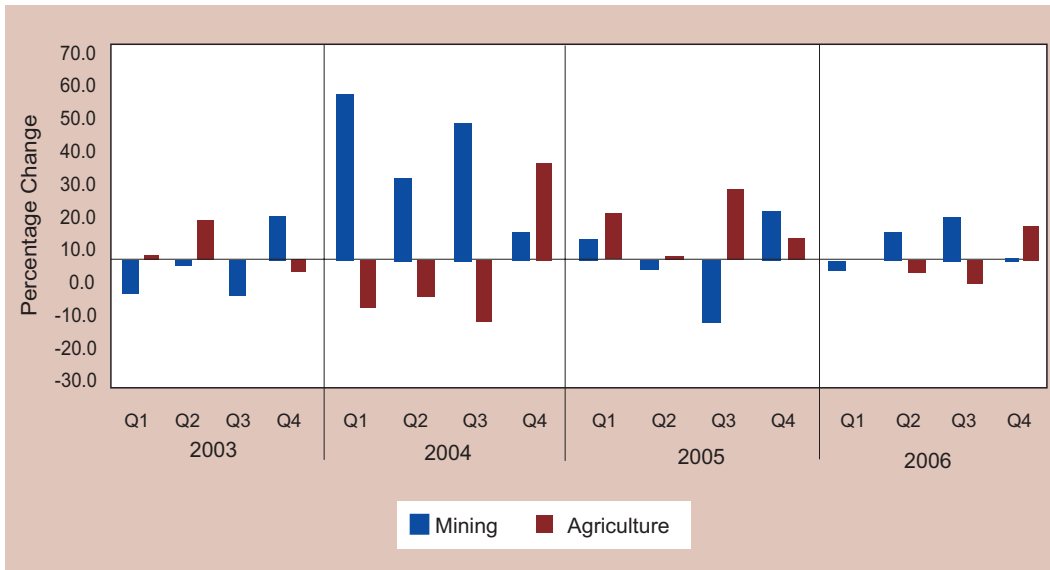
This industry covers three sectors, namely the agriculture, fishing<sup>3</sup> and mining. In this industry, the agricultural sector performed relatively stronger during the last quarter of 2006. Also, diamond, silver and copper output in the mining sector showed a strong growth.

<sup>1</sup> The growth rates cited in this section are year-on-year unless otherwise stated.

<sup>2</sup> Figures and growth rates are preliminary estimates and are subject to revisions, once final data becomes available.

<sup>3</sup> The data of this sector was not available at the time of going to the printers.

Chart 3.1 Growth in the primary sector

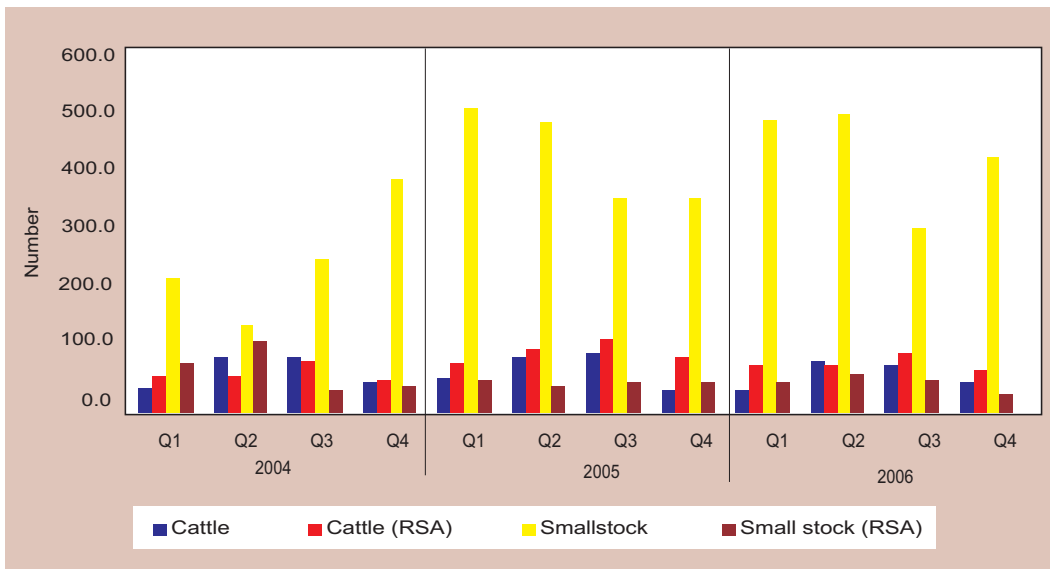


Source: CBS

**Agriculture**

The declining trend in the value added of the agricultural sector observed since the beginning of 2006 was reversed during the final quarter of the year as a result of an increase in the number of livestock marketed (Chart 3.2) and the production of table grapes<sup>4</sup>.

Chart 3.2 Number of livestock marketed



Source: Meat Board of Namibia

<sup>4</sup> Grape production occurs only during the fourth quarter.

The value added of the agricultural sector increased by 14.4 percent during the fourth quarter of 2006, higher than that of 7.5 percent recorded during the corresponding quarter of the preceding year and a decline of 10.1 percent recorded during the preceding quarter of 2006. The increase during the fourth quarter of 2006 emanated primarily from the growth of 36.8 percent in the number of cattle<sup>5</sup> marketed locally, relative to the developments in the corresponding period. A decline of 21.1 percent was recorded during the preceding quarter. Small stock marketed locally, which increased by 18.9 percent, as opposed to a decline of 14.2 percent during the third quarter of 2006, also contributed to the overall expansion in agricultural output. The growth observed for both cattle and small stock marketed was attributed to the high prices normally observed during the festive season (Chart 3.3), coupled with poor prospects of the next rain season which is expected to affect the grazing negatively.

**Chart 3.3 Prices of beef and lamb**



Source: Meat Board of Namibia

In contrast to the increase in cattle marketed locally, the number of on-hoof cattle and small stock marketed to South Africa continued to contract strongly as measured against the developments observed during the fourth quarter of 2005. The total number of on-hoof cattle marketed to Namibia’s major trading partner decreased by 22.5 percent during the final quarter of 2006, notably higher than the decrease of 18.4 percent registered during the third quarter of 2005. Accounting for the decline both quarter-on-quarter and year-on-year, is the relative increase in international maize prices. Maize has been the main feeder for weaners in South Africa and its price increase reduced the affordability of weaners to farmers. This resulted in the decline in the price of weaners when compared to the previous 3 quarters of 2006.

Similarly, the number of small stock marketed to South Africa declined by 42.9 percent during the fourth quarter of 2006, compared to a growth of 6.0 percent during the preceding quarter. A possible reason for the decrease in small stock marketed to South Africa could

<sup>5</sup> This sub category carries the highest weight in the agricultural sector.

be the new measure introduced by Government since September 2006 to keep more small stock for local abattoirs. This measure requires that for each small stock sold alive, there should be 6 small stocks for the local abattoirs.

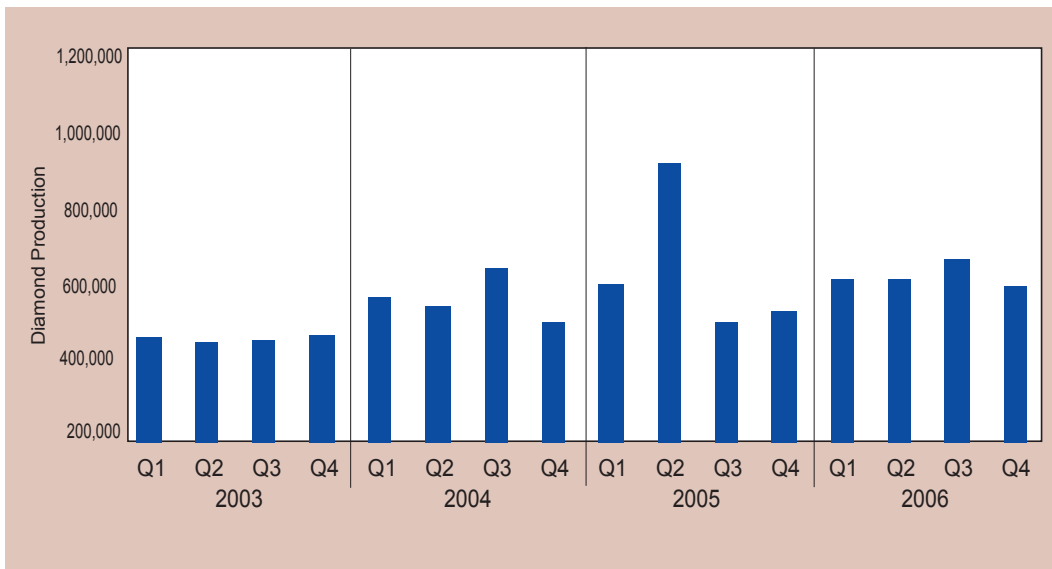
On the other hand the grape industry recorded a strong expansion of 32.7 percent from the output during the same quarter of 2005. The improvement in grapes production was attributed to the conducive weather during the season compared to the same time of the previous year, when output declined by 4.9 percent.

**Mining and quarrying**

The overall developments in the mining and quarrying sector indicated signs of slowing down in the growth of its value added. The value added of the sector registered a growth of 0.2 percent during the fourth quarter of 2006, lower than a remarkable growth of 18.2 percent recorded during the preceding quarter. The slowdown was reflected in contractions in the production of uranium, lead, zinc, granite and common salt. Diamond production although remaining strong, slowed and contributed to the slowdown in the overall growth for the sector. The production of copper and silver, on the other hand, recovered.

During the fourth quarter of 2006, the value added of the diamond sub-sector continued to show an increase, year-on-year, although lower than the growth recorded during the preceding quarter of 2006. The value added of the sub-sector increased by 20.0 percent during the fourth quarter of 2006, albeit a slowdown from a significant expansion of 51.1 percent during the preceding quarter. The continuing expansion in the value added of the diamond sub-sector is supported by the strong world demand for this mineral and its related products. On a quarter-on-quarter basis, however, diamond output declined by 14.2 percent (Chart 3.4).

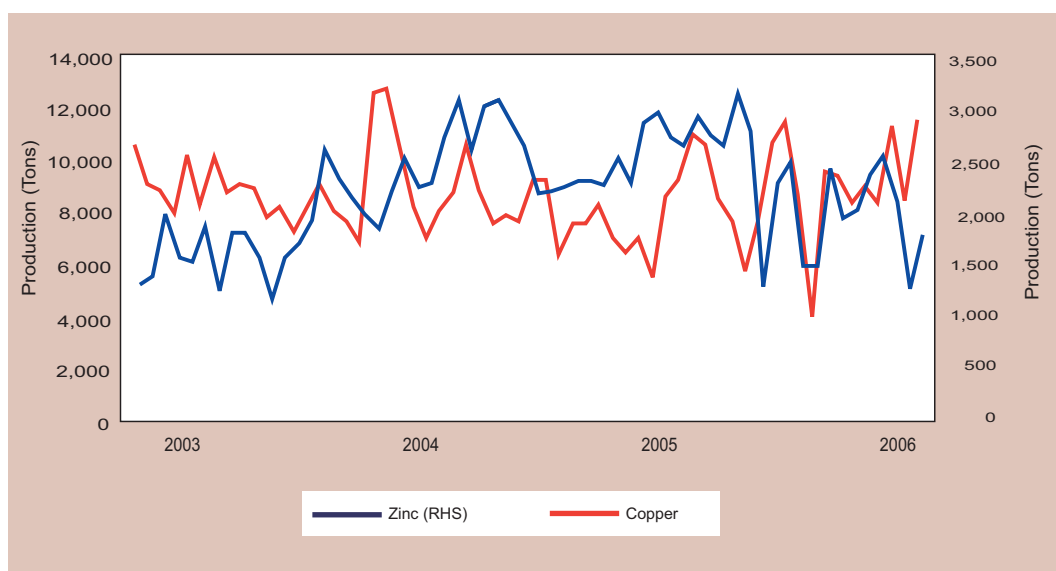
**Chart 3.4 Diamond production**



Source: Ministry of Mines and Energy

Developments in the base metals were mixed during the fourth quarter of 2006 (Chart 3.5). The output of copper which had been declining started to recover both year-on-year and quarter-on-quarter, growing significantly by 55.5 percent, year-on-year, and by 72.5 percent, respectively. This was a direct result of a rapid turnaround of the Ongopolo mine by its new owners, complemented by new operations of the Tsumeb West and Tschudi mines which started mining activities during the quarter.

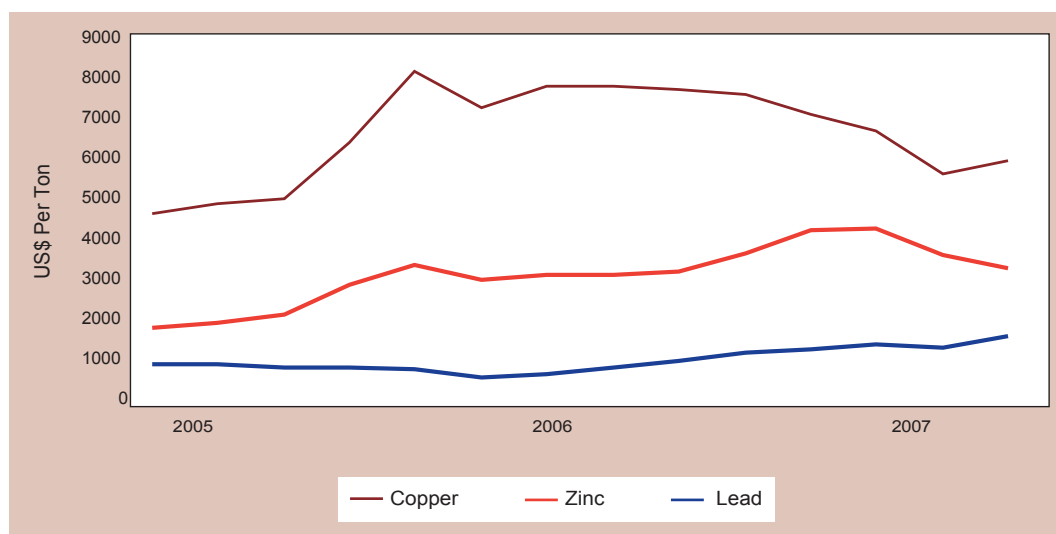
**Chart 3.5 Copper and zinc production**



Source: Ministry of Mines and Energy

The prices of copper, however, started to decline due to falling demand from China and the USA as a result of stock accumulation. Output of zinc, on the other hand, declined during the fourth quarter, despite high prices in the international markets (Chart 3.6). The decline in output could be attributed to strikes during November 2006 which have paralyzed the operational activities of one of the zinc mines.

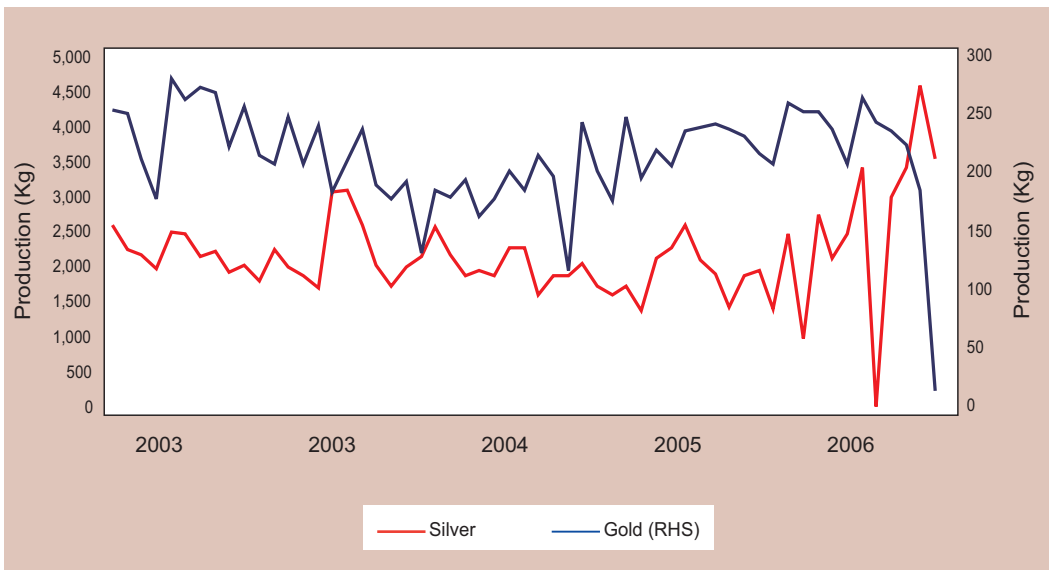
**Chart 3.6 Metal monthly average prices**



Source: London Metal Exchange

The improvement in the production of copper had also caused the silver production to rise due to the fact that it is a by-product of copper. Silver production increased significantly by 80.4 percent on a quarter-on-quarter basis during the fourth quarter of 2006 and by 31.2 percent on a year-on-year basis. The production of gold, however, declined by 8.4 percent when compared to the preceding quarter and that of 8.3 percent in contrast to the same time of 2005. The decline in gold production during the last quarter of 2006 could be attributed to the cleaning process of the smelting pots at Ongopolo Mine during the fourth quarter of 2006. As a result, the gold blister that is normally obtained as a by product of copper production was minimal (Chart 3.7).

**Chart 3.7 Gold and silver production**



Source: Ministry of Mines and Energy

### 3.2.2 Performance of the secondary industry

The secondary industry consists of the manufacturing<sup>6</sup>, construction and electricity and water sub-sectors. The performance of the secondary industry was encouraging as mirrored in the stronger value added of both the construction and electricity and water sectors witnessed in the fourth quarter of 2006.

#### Construction

The activities of the construction sector recovered during the fourth quarter of 2006. The value added of this sector increased by 14.7 percent during the fourth quarter of 2006 relative to the decline of 0.3 percent during the corresponding quarter of 2005. This growth is also higher than a decline of 8.5 percent during the preceding quarter. The pace of growth during the fourth quarter was reflected in the indicator of building industries, mainly cement, which increased by 8.7 percent during the fourth quarter of 2006. The number of building plans passed also increased by 13.9 percent during the final quarter of 2006.

<sup>6</sup> The data of this sector was not available at the time of going to the printers.

### Electricity and water

The electricity and water sector showed a stronger performance during the quarter under review. The value added of the sector increased by 3.0 percent during the fourth quarter of 2006 when compared to the corresponding quarter of last year. The recovery of the sector was remarkable after declines of 6.1 percent during the preceding quarter and that of 1.5 percent during the corresponding quarter of 2005. The stronger performance of the electricity and water sector is attributed to the high flow of the Kunene River due to abundant rain experienced in Angola. This has enabled more locally generated electricity to meet the local demand. This was a welcome development, given the fact that supply of electricity from South Africa has become lower.

### 3.2.3 Performance of the tertiary industry

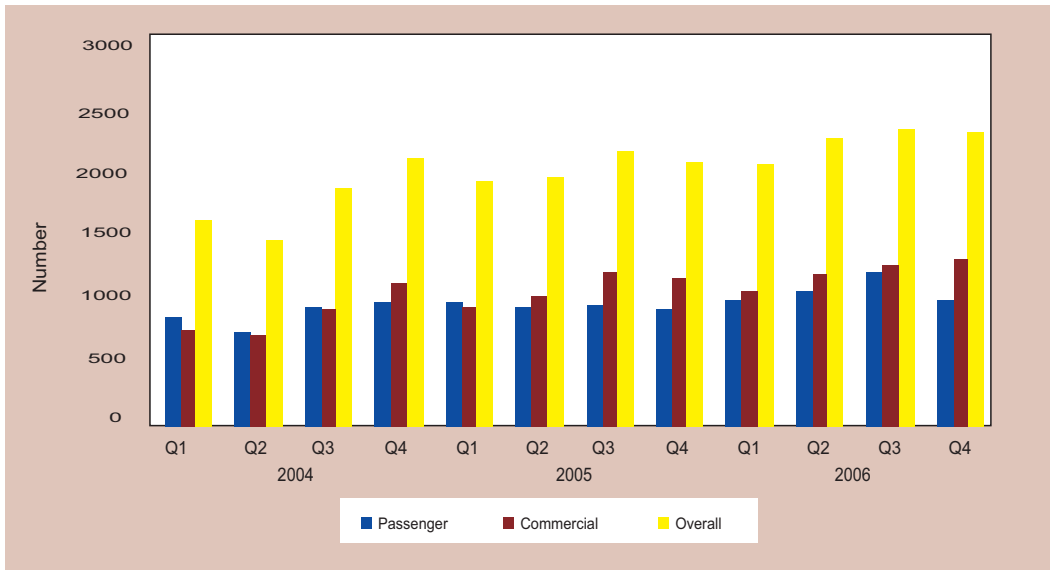
The analysis under this industry covers some of the services industries such as the wholesale and retail trade, repairs of motor vehicles, personal and household goods, transport and communication, hotels and restaurants as well as producers of Government services. All these sectors portrayed positive performances during the fourth quarter of 2006.

#### Wholesale and retail trade

The value added of this sector recorded a positive growth during the final quarter of 2006, though slower than the rates recorded during the preceding quarter of 2005. The value added of this sector rose by 4.1 percent during the fourth quarter of 2006, when compared to a significant growth of 40.1 percent registered at the same time in the previous year and 6.4 percent recorded during the third quarter of 2006. The slowdown in growth was reflected in the poor performance of the furniture sub-sector for which value added declined. Also, the number of vehicles sold, although remained high during the fourth quarter of 2006, was lower than in the preceding quarter (Chart 3.8 ). The overall vehicle sales declined by 1.2 percent during the fourth quarter of 2006. The decline was reflected in the passenger vehicle sales which contracted by 17.9 percent. Commercial vehicle sales on the other hand, increased by 3.1 percent. The growth in sales of the commercial vehicles is a good sign for investment since the commercial vehicles are used for business purposes and the increase in their sales could indicate further investments in the economy. A strong performance was, however, observed in the clothing sub-sector which was complimented by the good sales recorded in the food and supermarkets sub-sector. The growth might have been enhanced by the special prices offered and the normal high demand for these commodities during the festive season.



Chart 3.8 Number of vehicles sold



Source: Simonis and Storms

### Transport and communication

Notwithstanding the high fuel prices, the transport and communication sector continued registering positive growth and remained one of the buoyant sectors in the economy. The good performance of this sector is manifested through the growth in its value added by 6.7 percent recorded during the fourth quarter of 2006. This growth is, however, lower than the increases of 21.2 percent recorded at the same time in the previous year and 14.9 percent in the preceding quarter. The performance of this sector was boosted by the transport sub-sector which is further supported by the railway line to the Northern part of the country.

### Hotels and restaurants

The strong performance of the hotels and restaurants sector, a proxy for the tourism sector, continued during the fourth quarter, albeit at a slower pace when compared to the preceding quarter. The value added of the sector registered an increase of 9.3 percent during the fourth quarter of 2006. This value added was better than a decrease of 0.6 percent recorded during the corresponding quarter, although lower than a growth of 22.9 percent during the preceding quarter of 2006. The slower activities in the sector occurred despite the peak of the tourism season during the fourth quarter of the year.

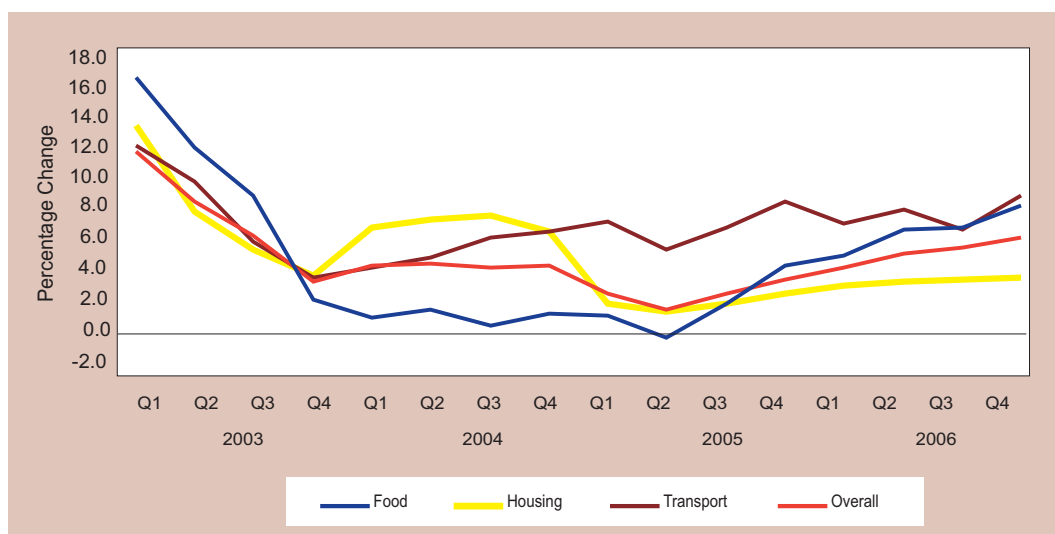
### Producers of Government services

The value added of the producers of Government services sector increased by 1.7 percent during the fourth quarter of 2006 compared to an increase of 0.9 percent registered during the preceding quarter. It is, however, a decrease in the pace of growth in comparison to an increase of 4.5 percent registered during the corresponding quarter. This shows Government's commitment to prudent fiscal discipline as reflected by the desire to live within the limits and ceilings as set out in the Main Budget estimates for the 2005/06 fiscal year.

### 3.3 PRICE DEVELOPMENTS

Inflation in the Namibian economy accelerated visibly as 2006 progressed, mainly due to steep increases in international crude oil prices and a weaker currency. The year-on-year inflation rate increased to 6.1 percent in both the two last months of the year, from 5.1 percent and 5.8 percent in September and October 2006, respectively. As a result, the fourth quarter average inflation rate stood at 6.0 percent, 1.3 percentage points higher than the average of the preceding quarter and 2.8 percentage points higher than the 3.2 percent during the corresponding period of 2005. The rise in the overall inflation rate during the fourth quarter of 2006 is mainly attributable to increases observed in the inflation categories of food, housing and transport (Chart 3.9).

Chart 3.9 Annual inflation (Quarterly averages)



Source: CBS

The annual inflation rate of *food and non-alcoholic beverages* category accelerated to 8.1 percent during the fourth quarter of 2006 from 4.1 percent observed during the corresponding quarter of 2005, and 6.6 percent during the preceding quarter. The increase was mainly due to price increases of meat and fish which rose by 16.9 percent and 18.4 percent during the fourth quarter of 2006 compared to 11.0 percent and 14.4 percent during the preceding quarter, respectively. The increase in the meat prices was caused by the rise of beef prices, due to high demand experienced during the festive seasons. Fish prices also increased due to the high fuel cost, small size of fish, and scarcity of fish supply in the market, due to poor environmental conditions.

The inflation rate for the *health* category increased to 0.9 percent during the fourth quarter of 2006 from a decline of 3.9 percent recorded during the preceding quarter of 2006. A decline of 0.1 percent was observed during the corresponding quarter of 2005. The increase was driven by the rising costs in the following sub-categories: outpatient services; medical; dental paramedics and medical products; appliances and equipment.

The annual rate of inflation of the *education* category remained constant at 6.5 percent during the third and fourth quarter of 2006, although, higher than the 3.9 percent recorded during the corresponding quarter of 2005. This was a result of the inflation rate for the

tertiary *education* category which rose to 22.1 percent from a decline of 2.9 percent and an increase of 12.7 percent observed during the corresponding quarter of 2005 and preceding quarter, respectively. This implies that the cost of tertiary education has become relatively expensive.

Inflation for the *miscellaneous goods and services* category continued to increase during the fourth quarter of 2006 to reach 8.6 percent from 7.4 percent during the preceding quarter and a decline of 1.7 percent during the corresponding period in 2005. The increase in quarterly averages were mainly reflected in the insurance and financial services' categories. The increase in insurance services was partly due to the usual upward adjustments of premiums during the fourth quarter of each year (Table 5, Statistical Appendix).

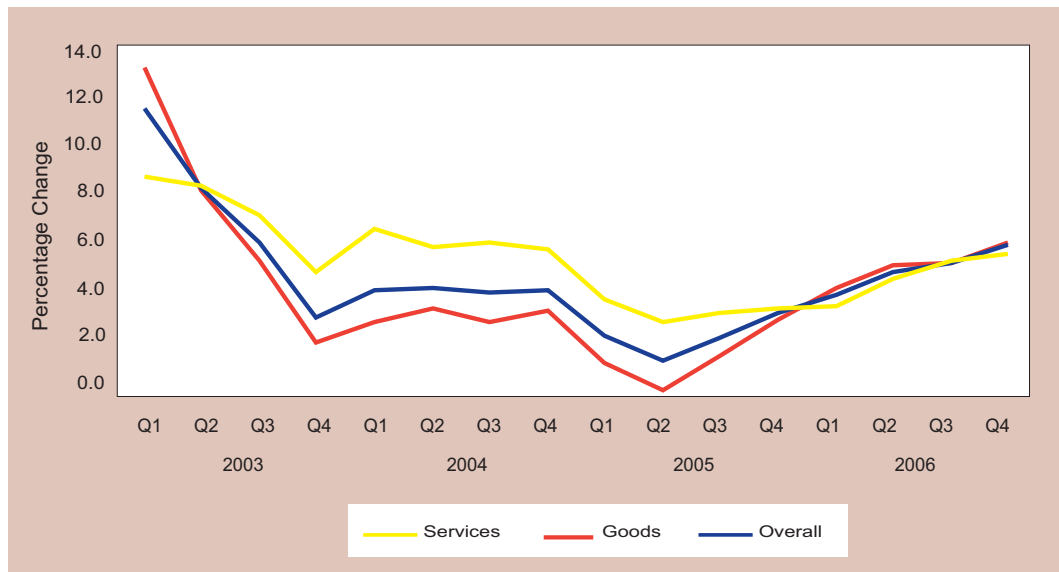
Inflation for the category *housing, water, electricity, gas and other fuels* increased slightly to 3.3 percent from 3.2 percent during the preceding period and 2.3 percent during the same time in 2005. The inflationary pressure for this category was mainly reflected in the rental payments for dwellings and regular maintenance and repair of dwellings sub-categories. The inflation for electricity charges and refuse collection remained the same both during the third and fourth quarter of 2006 at 3.3 percent and 2.2 percent, respectively. On the other hand, inflation for the water supply and sewerage services decreased to 6.3 percent and 9.8 percent during the fourth quarter of 2006 from 7.7 percent and 10.0 percent, respectively.

Inflation for the *transport* category decreased to 8.7 percent during the fourth quarter of 2006 from 9.2 percent during the preceding quarter (Chart 3.9). This rate was, however, still higher than 8.3 percent recorded at the same time during 2005. The downward movement in the transport category was reflected in the decrease in the inflation rate of petrol/diesel to 30.3 percent during the fourth quarter from 33.2 percent during the preceding quarter, albeit still higher than 28.6 percent recorded at the same time in 2005. The decline in international oil prices during the fourth quarter contributed mostly to the decrease observed in this category, as pump prices were reduced twice during the same quarter.

Categorizing inflation into goods and services, showed that the annual inflation rate for the *services* category increased to 5.7 percent during the fourth quarter of 2006 from 3.4 percent during the corresponding quarter in 2005. When compared to the preceding quarter, it increased by 0.8 percentage points (Chart 3.10). The increase was mainly due to the rise in the price index of the miscellaneous services, which was influenced by the increases in the financial and insurance services. The increase was mainly due to the rise in the price index of the miscellaneous services, which was influenced by the increase in the financial and insurance services. The increase in the financial services reflected other depository corporations' adjustments of service charges while the rise in insurance services was a result of increased premiums as stated above.

The inflation rate for *goods* rose to 6.1 percent from 2.9 percent recorded during the corresponding quarter while a slight increase of 0.1 percent was observed compared to the preceding quarter (Chart 3.10). The rise was driven by increases observed in the inflation of food, alcoholic beverages and tobacco, clothing and footwear and personal care sub-categories.

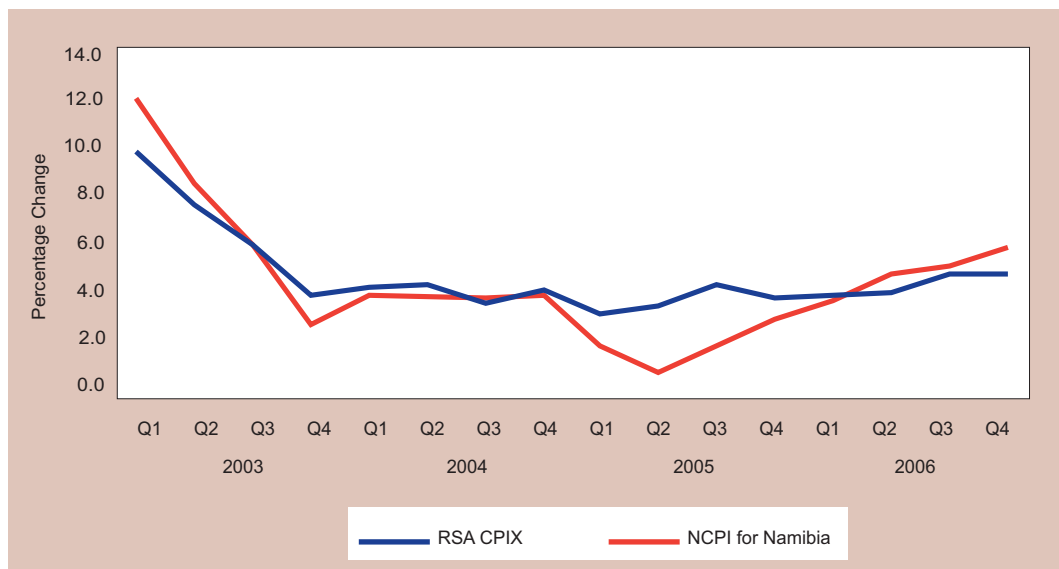
Chart 3.10 Namibia's goods and services inflation (Quarterly average)



Source: CBS

The Namibia Consumer Price Index (NCPI) continued to remain higher than the South African CPIX during the final quarter of 2006. Both rates continued to move roughly in the same direction (Chart 3.11), although the NCPI has been higher than the CPIX due to the higher weight in food price index relative to that of SA. The average CPIX remained the same at 5.0 percent during both the fourth and the third quarter of 2006, lower than the 6.0 percent recorded by the NCPI. The stable inflation in South Africa was associated with the reduction in the petrol prices and the tight monetary policy effected during the year.

Chart 3.11 Namibia's NCPI vs South African CPIX



Source: CBS and SARB

## 4. MONETARY AND FINANCIAL DEVELOPMENTS

### 4.1 MONEY SUPPLY

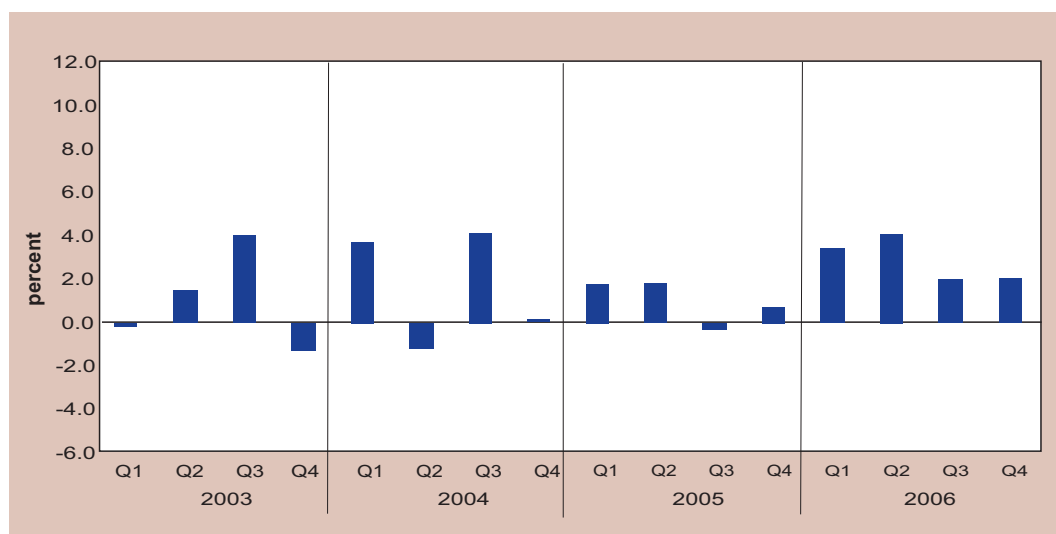
Despite a further tightening of monetary policy during the fourth quarter, broadly defined money supply (M2) increased by 4.8 percent compared to 4.7 percent in the preceding quarter. The fourth quarterly increase is significantly higher when compared to an increase of 1.8 percent recorded during the fourth quarter of 2005 (Chart 4.1). The expansion in broad money supply emanated mainly from the significant increase in net foreign assets of the banking system, supported by a moderate increase in domestic claims. Other items net, on the other hand, exerted a contractionary effect on money supply.

On an annual basis, growth in broad money supply accelerated to 29.8 percent at the end of the fourth quarter of 2006 compared to an increase of 9.7 percent recorded at the end of the fourth quarter of 2005. The annual expansion in the growth rate of broad money supply during the fourth quarter was caused by the increase in both net foreign assets and domestic claims.

#### 4.1.1 Components of money supply

The increase in money supply (M2) during the fourth quarter was reflected mainly in the transferable deposits and other deposits, while currency in circulation declined. Transferable deposits included in M2 rose by 7.1 percent compared to an increase of 6.3 percent recorded during the previous quarter. The upward movements witnessed in the transferable deposits during the fourth quarter suggest a preference for liquidity by the public; a situation normally observed during the festive season. However, it could also have been brought about by expectations from the side of the depositors of further interest rate increases. This might have led depositors holding on their money in easy accessible accounts in order to invest at better rates as interest rates increase. Other deposits' growth decelerated to 2.1 percent during the same period from an increase of 2.5 percent recorded during the previous quarter. Currency in circulation, on the other hand, declined to 2.8 percent at the end of the fourth quarter of 2006 from an increase of 8.1 percent recorded during the preceding quarter. The decline in currency in circulation during the fourth quarter is unusual, as the expectation is that consumers would spend more during the festive season and the impact would be felt in the money in circulation. This expectation could, however, have been offset by the fact that more people are using debit cards as a means of payment.

Chart 4.1 Monetary aggregates M2 (quarterly growth rates)



#### 4.1.2 Determinants of money supply

The increase in money supply during the fourth quarter was mainly driven by net foreign assets supported by domestic claims. Net foreign assets increased largely as a result of the excess liquidity that prevailed in the market and the slowdown in the demand for credit due to tighter monetary conditions. Other items net<sup>7</sup>, on the other hand, exerted a contractionary effect on the growth in M2 by declining, during the same period. The contraction of other items net was, however, insignificant to offset the growth recorded in other determinants.

Table 4.1 Determinants of M2 quarterly changes (N\$ million)

	2005	2006		Quarterly percentage change	Contribution to change in M2
	Q4	Q3	Q4		
<b>Total domestic credit</b>	<b>1,246.1</b>	<b>278.2</b>	<b>457.4</b>	<b>1.6</b>	<b>2.13</b>
Claims on the private sector	1,174.6	705.0	527.7	1.9	2.45
Net claims on the central Government	71.5	-426.9	-70.3	-38.3	-0.33
<b>Net foreign assets of the banking system</b>	<b>-89.89</b>	<b>2,485.3</b>	<b>900.25</b>	<b>22.8</b>	<b>4.18</b>
Other items net	-998.0	-2,630.00	-327.00	-3.6	-1.52
<b>Broad money supply</b>	<b>158.2</b>	<b>133.5</b>	<b>1,030.7</b>	<b>4.8</b>	<b>4.8</b>

<sup>7</sup> Other Items Net is a residual category referring to other liabilities less other assets plus consolidated adjustment.

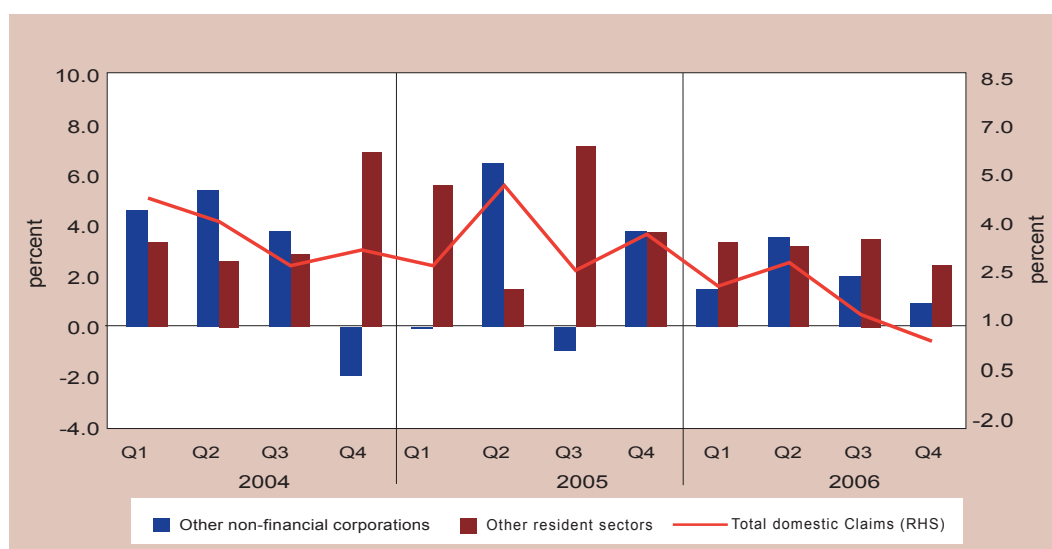
4.1.2.1 Domestic claims

During the quarter under review, domestic credit increased by 1.6 percent following an expansion of 1.0 percent recorded at the end of the previous quarter. The growth in domestic credit was 5.1 percent during the corresponding quarter of the preceding year. On an annual basis, growth in domestic credit slowed from 21.3 percent at the end of December 2005 to 10.6 percent at the end December 2006.

The quarter-on-quarter increase in domestic claims of other depository corporations was mainly due to an increase in credit extended to the Government, while growth in credit to other sectors slowed. Claims on the Central Government increased by 12.3 percent at the end of the fourth quarter of 2006, compared to a decline of 7.4 percent recorded at the end of the third quarter of the same year. This reflects the financing need for government expenditure during the fourth quarter, as oppose to the third quarter.

Growth in the claims on other sectors slowed to 1.9 percent at the end of December 2006 compared to an increase of 2.6 percent at the end of September 2006. During the corresponding period of 2005, growth in claims to other sectors stood at a rate of 5.1 percent. The slowdown in the quarterly growth of claims on other sectors during the fourth quarter of 2006 resulted from the deceleration in growth in both credit extended to other resident sectors (individual households) and other non-financial corporations (businesses). The growth in credit to other resident sectors decelerated further to 3.1 percent at the end of the fourth quarter of 2006 after slowing to 4.6 percent at the end of the third quarter. The corresponding quarter in 2005 showed that claims to other resident sectors grew by 3.6 percent. Likewise, growth in credit extended to other non-financial corporations decelerated to 1.2 percent during the quarter ended December 2006 from increases of 3.3 percent witnessed during the quarter ended September 2006 and 4.9 percent during the corresponding quarter of the preceding year. The slowdown in the credit extended to both other resident sectors and other non-financial corporations could be attributed to the higher interest rate environment that prevailed since the end of the second quarter of 2006.

Chart 4.2 Claims on the other sectors



On an annual basis, other sectors' credit growth slowed to 16.6 percent in December 2006 from 19.5 percent in December of 2005. This deceleration emanated mainly from a slowdown in growth of funds extended to other resident sectors to 17.0 percent in December 2006, from 25.0 percent in December 2005. Growth in credit to other non-financial corporations also slowed to 10.6 percent from 12.1 percent during the same period and contributed to the deceleration in the overall growth rate.

In terms of the types of credit extension by other depository corporations, indications were that collateralized lending growth slowed to 4.7 percent at the end of the fourth quarter of 2006 from 8.4 percent at the end of the preceding quarter. The deceleration in the growth in collateralized lending was mainly caused by the slowdown in mortgage credit. The growth in mortgage loans slowed to 4.9 percent during the fourth quarter of 2006 from significant increases of 10.4 percent in the previous quarter and 9.2 percent during the corresponding quarter of the preceding year. The slowdown in credit for housing is concurrent with increasing mortgage rates, which seems to serve as a deterrent for further credit demand. Instalment credit, on the other hand, picked up during the quarter under review registering an increase of 4.1 percent from 2.9 percent during the third quarter of 2006. The corresponding rate for the preceding year was 6.1 percent (Table 4.2). The increase in instalment credit suggests that consumers are interest rate insensitive. It can, however, be argued that the fourth quarter is known for being the time of the year when many households tend to acquire durable goods.

**Table 4.2 Growth in collateralized lending (Quarter-on-quarter)**

	2005	2006	
	Q4	Q3	Q4
Mortgage loans	9.2	10.4	4.9
Instalment credit	6.1	2.9	4.1

Mortgage advances continued to surge, with a quarterly growth rate of 13.9 percent for businesses and 4.0 percent for individuals. This is, however, a slowdown when compared to a substantial increase of 95.5 percent for business and 4.9 percent for individuals recorded at the end of the third quarter. Instalment credit recorded an increase of 3.6 percent for business, lower than 17.4 percent witnessed at the end of the third quarter. At the same time, instalment credit to individuals rose by 4.3 percent at the end of the fourth quarter, compared to a decline of 2.3 percent at the end of the third quarter.

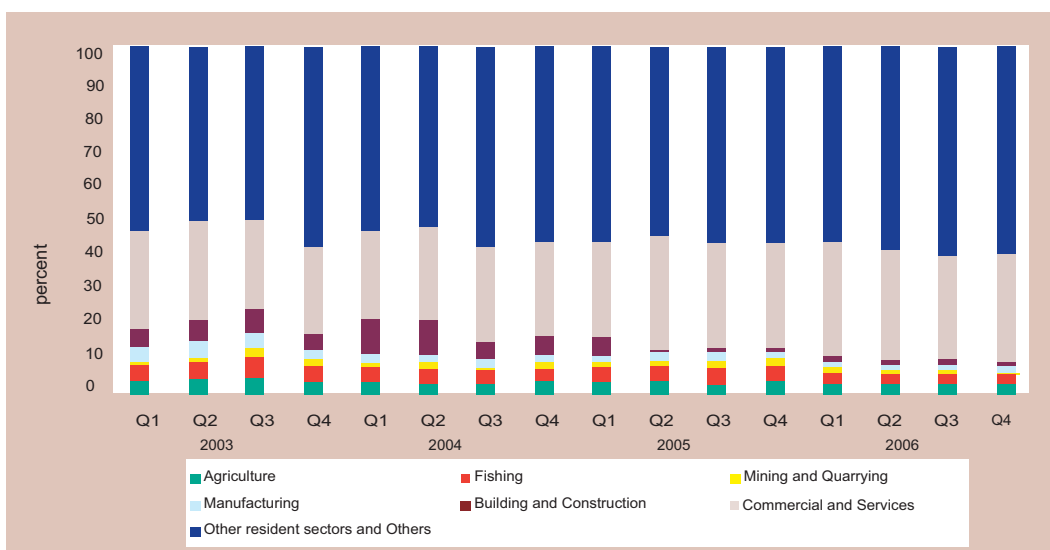
Other loans and advances<sup>8</sup> recorded an increase of 4.7 percent during the fourth quarter of 2006 from a decline of 3.3 percent during the third quarter and a decline of 14.9 percent during the corresponding period of the preceding year. The quarter-on-quarter increase in other loans and advances was reflected in other loans and advances to business sector which rose by 5.2 percent during the fourth quarter after recording a decline of 18.8 percent during the third quarter. Other loans and advance to individuals, on the other hand, slowed by 4.2 percent during the fourth quarter from a substantial increase of 25.3 percent during the third quarter of 2006.

<sup>8</sup> Other loans and advances consist of overdraft to individuals and corporate clients, as well as structured finance deals.



A sectoral distribution of domestic claims revealed that other resident sectors (individuals) and others continued to take up the largest portion of total claims on other sectors. Other resident sectors and other accounted for 59.5 percent of total credit extended to private sector during the fourth quarter, although a slight decline from 60.1 percent at the end of the third quarter. The Commercial and Services sector continued occupying a second position at 31.2 percent, up from 29.8 percent during the third quarter of 2006. The combined credit extended to the building and construction, fishing, agriculture and manufacturing sectors comprised the remaining 9.5 percent of the total other depository corporations claims. This is, however, a slight decline when compared to the share of 11.1 percent recorded in the third quarter.

**Chart 4.3 Composition of sectoral credit extension**



A further analysis of sectoral credit extension growth revealed that credit to the manufacturing and agricultural sectors rose by 14.0 percent and 9.1 percent at the end of the fourth quarter, respectively. This is in comparison to increases of only 1.8 percent and 4.1 percent recorded at the end of the third quarter, respectively. The increase in credit to manufacturing and agricultural sectors contradicts the expectation that higher interest rates would lead to lower borrowing. The increase in credit to the manufacturing sector could, however, be attributed to among others the national effort to increase manufacturing activities. The increase in credit to agriculture could be a result of the ploughing season that just started during the quarter that might have led to more borrowing by farmers. An increase of 8.0 percent was also recorded for commercial services at the end of the fourth quarter compared to a decline of 3.6 percent at the end the third quarter and a increase of 7.4 percent at the end of the corresponding quarter of the preceding year. Growth in credit extended to the category other resident sectors and others slowed to 2.0 percent during the quarter ended December 2006 from 5.1 percent during the previous quarter and 8.9 percent during the quarter ended December 2005.

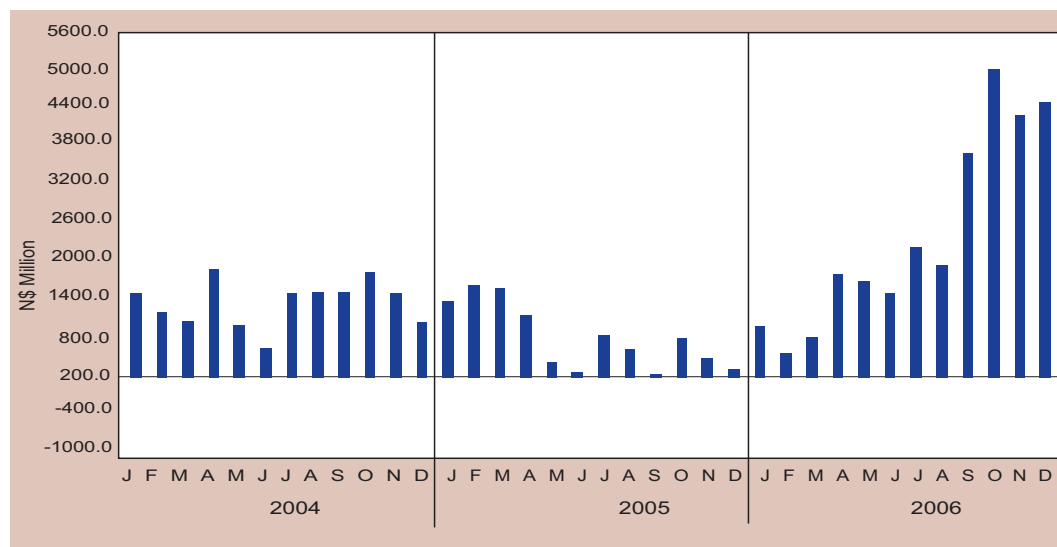
Credit extended to the mining and quarrying sector fell by 30.1 percent during the quarter ended December 2006 in contrast to an increase of 18.7 percent recorded during the quarter ended September 2006. This is after the mining and quarrying sector recorded a

significant increase of 25.7 percent at the end of the corresponding quarter of the preceding year. The decline in credit to the mining sector is in contrast to increasing mining activities in the country. This could, however, be because investments in this sector are primarily foreign financed. Similarly, credit extended to the building and construction sector declined by 25.4 percent during the fourth quarter of 2006 compared to a decline of 4.9 percent during the third quarter of 2006. The corresponding period of the preceding year showed an increase of 24.0 percent. The decline witnessed in the credit extended to the building and construction sector during the fourth quarter could be due to higher borrowing cost, and the fact that the fourth quarter is generally a quite period for the construction industry. Credit extended to the fishing sector declined by 15.8 percent at the end of the fourth quarter of 2006 as opposed to an increase of 10.8 percent at the end of the third quarter. The fishing sector recorded a decline of 9.4 percent during the corresponding quarter of the preceding year. The decline in credit extended to the fishing sector could be due to higher borrowing cost witnessed during the quarter under review.

#### 4.1.2.2 Net foreign assets

During the quarter ended December 2006, the net foreign assets of the banking system continued to increase although at a slower pace than witnessed during the quarter ended September 2006. Net foreign asset rose by 22.8 percent at the end of the fourth quarter of 2006 compared to a significant increase of 170.3<sup>9</sup> percent at the end of the third quarter and 135.3 percent during the corresponding quarter of 2005. The increase in the growth of net foreign assets at the end of the fourth quarter emanated mainly from deposits of other depository corporations placed with non resident institutions, which rose by 55.5 percent. The rise in deposits placed with foreign institutions was caused by excess liquidity in the market, which could partly be explained by the transfer of fund from the state account into the redemption account with one of the local ODCs. This was supported by the slowing credit demand caused by the high cost of borrowing.

Chart 4.4 Net foreign assets of depository corporations



<sup>9</sup> Contributing to the build up in net foreign assets during the third quarter were mainly the improvement in the net foreign position of ODCs due to excess liquidity observed during the same period which caused capital flight.

The increase in total net foreign assets of the banking system was mainly reflected in an increase in net foreign assets of other depository corporations, which increased by N\$855.2 million or 103.7 percent. The increase in the other depository corporation's net foreign assets could be ascribable to the surplus liquidity in the market as indicated above. The Bank of Namibia's net foreign assets also contributed to the growth in the total net foreign assets after expanding by N\$ 45.1 million or 1.4 percent. The slight increase in the net foreign assets of the Bank of Namibia could be attributed to two factors: the increase witnessed in the liabilities to non-residents; and the slowdown in growth of deposits placed with foreign institutions, which exerted a contraction effect on its net foreign assets position.

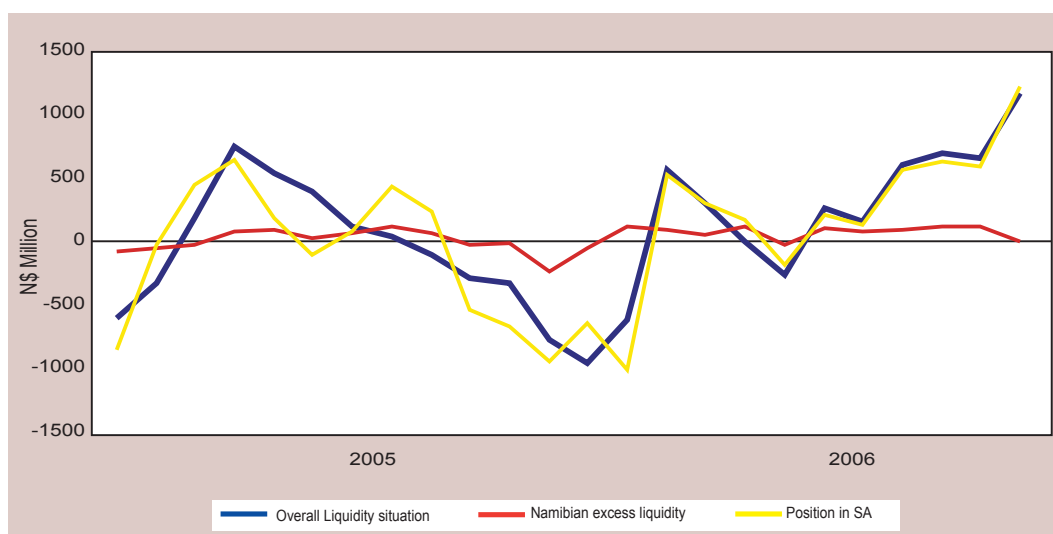
**Table 4.4 Foreign assets and liabilities of depository corporations (N\$ million)**

Holder	2005				2006			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>A. NFA/L of ODCs</b>	<b>-336.3</b>	<b>-1779.3</b>	<b>-1878.6</b>	<b>-2140.3</b>	<b>-1734.5</b>	<b>-1181.7</b>	<b>825.0</b>	<b>1680.2</b>
Foreign Assets	1295.6	466.3	292.3	285.6	914.6	1029.3	1795.4	2742.2
Foreign Liabilities	1631.9	2245.6	2170.9	2425.9	2649.1	2211.0	970.4	1062.0
<b>B. NFA of Bank of Namibia</b>	<b>1912.7</b>	<b>1874.1</b>	<b>1818.2</b>	<b>1983.9</b>	<b>2457.8</b>	<b>2677.9</b>	<b>3119.2</b>	<b>3164.3</b>
Foreign Assets	1925.3	1890.4	1832.8	1998.0	2470.0	2688.3	3517.0	3573.6
Foreign Liabilities	12.6	16.3	14.6	14.1	12.2	10.4	397.8	409.3
<b>Net total foreign assets/liabilities</b>	<b>1576.4</b>	<b>94.8</b>	<b>-60.4</b>	<b>-156.4</b>	<b>723.3</b>	<b>1496.2</b>	<b>3944.2</b>	<b>4844.5</b>

#### 4.1.2.3 Liquidity of other depository corporations

At the end of the fourth quarter of 2006, the liquidity position of commercial banks improved significantly when compared to the previous quarter. The improvement came from their position in South Africa, where an excess of N\$1.2 billion was recorded. The Namibian liquidity position of commercial banks recorded a shortage of N\$40.8 million, which resulted from holdings of N\$79.9 million on the settlement account minus issued repos of N\$120.7 million. Consequently, the overall liquidity position recorded a surplus of N\$1.1 billion at the end of the fourth quarter (Chart 4.5).

Chart 4.5 Liquidity position of ODCs



The excess liquidity could partly be explained by the transfer of funds from the State Account into the internal registered stock redemption account with one of the local ODCs. The transfer made to this account increased gradually from N\$102.6 million at the end of the third quarter of 2006 to N\$202.9 million at the end of the fourth quarter of 2006.

#### 4.1.2.4 Other depository corporations sources of funds

The total deposits of other depository corporations increased by N\$1.5 billion or 6.4 percent to reach N\$25.5 billion at the end of the fourth quarter of 2006. This is a significant increase as it more than doubled the increase of N\$688.4 million or 2.9 percent recorded during the third quarter of 2006. An expansion of N\$250.4 million or 1.2 percent was witnessed during the corresponding quarter of the preceding year. The increase in the total deposits of other depository corporations was reflected in both categories, viz deposit included and excluded in broad money (M2).

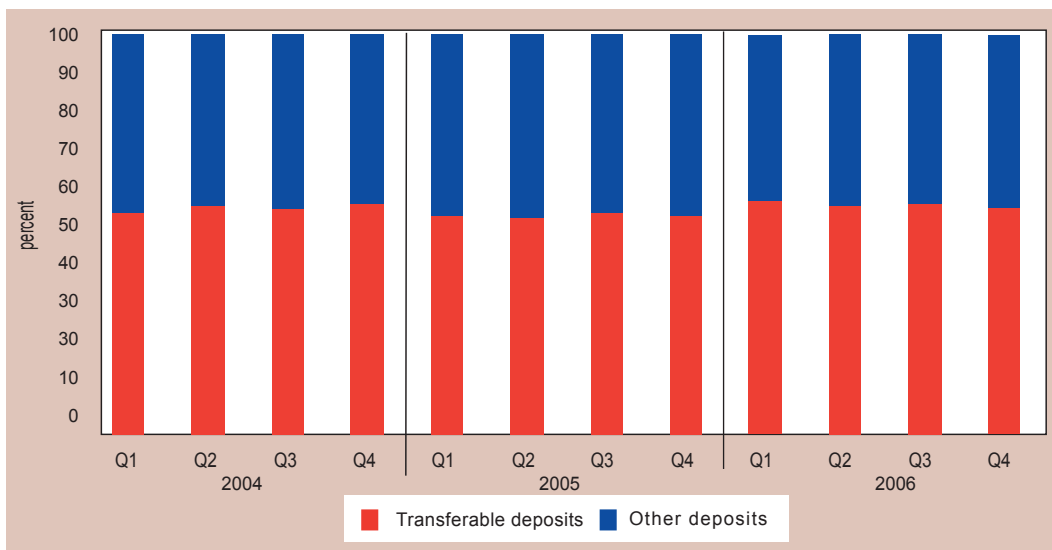
Total deposit included in broad money rose by N\$1.0 billion or 5.0 percent during the fourth quarter of 2006 to reach N\$21.7 billion. This category of deposits had increase by N\$922.8 million or 4.7 percent at the end of the third quarter. The increase in the total deposit included in M2 was mainly reflected in the sub-category transferable deposits, which recorded a rise of N\$851.8 million or 7.1 percent compared to an increase of 6.3 percent recorded at the end of the third quarter. The growth in other deposits, on the other hand, slowed to N\$178.0 million or 2.1 percent at the end of the fourth quarter, compared to an increase of 2.5 percent at the end of the preceding quarter.

Total deposits excluded from broad money increased by N\$506.6 million or 15.2 percent at the end of the fourth quarter of 2006 compared to a decline of N\$234.4 million or 6.5 percent recorded at the end of the third quarter of 2006. The upward movements in deposits excluded from broad money supply was reflected in other deposits excluded from M2, which rose significantly by N\$708.8 million or 47.4 percent in contrast to a decline of N\$94.3 million or 5.9 percent witnessed at the end of the third quarter. Transferable deposits excluded from M2, on the other hand, declined by N\$202.2 million or 11.1 percent

during the same time, recording a decline of N\$140.1 million or 7.1 percent at the end of the third quarter.

In line with the above developments, the share of transferable deposits in total deposits declined to 56.8 percent at the end of the fourth quarter from 57.8 percent at the end of the third quarter, while the share of other deposits increased to 43.2 percent during the quarter ended December 2006 from 42.2 percent during the quarter ended September 2006. The increase in the share of the other deposits category suggest that depositors are moving their funds in the interest bearing accounts given the higher interest rate environment.

**Chart 4.6 Types of other depository corporations deposits**



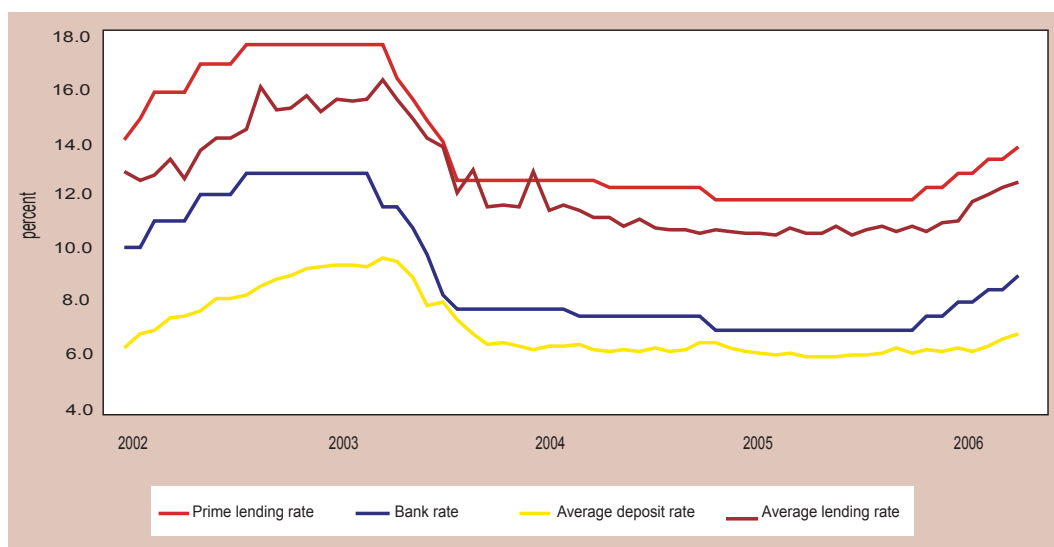
**4.2 MONEY AND CAPITAL MARKET DEVELOPMENTS**

**4.2.1 Money market developments**

In light of the strong evidence of inflationary pressure, the Bank of Namibia adjusted the Bank rate upward by 100 basis points from 8.00 percent during the third quarter of 2006 to 9.00 percent during the fourth quarter of 2006. Although, the Bank rate was kept constant during February 2007, the increasing inflationary pressure remains a concern.

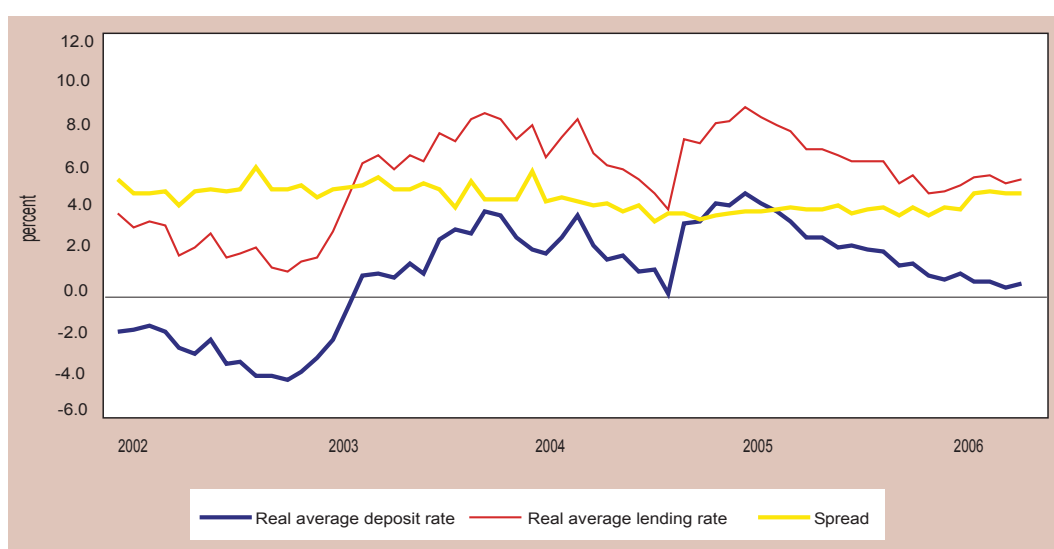
In line with the above developments in Bank rate during the fourth quarter, Other Depository Corporations also adjusted their prime lending rates upward. The average prime lending rate of other depository corporations increased to 13.75 percent during the fourth quarter of 2006 from 12.75 percent in the previous quarter. During the same period, the average lending rate increased by 72 basis points to 12.4 percent at the end of the fourth quarter from 11.7 percent in the preceding quarter. The average deposit rate also rose by 63 basis points to 6.8 percent during the fourth quarter of 2006 from 6.2 percent at the end of September 2006. As a result, the nominal spread between the average lending rate and deposit rates increased slightly to 5.6 percent during the fourth quarter from 5.5 percent in the preceding quarter (Chart 4.7).

Chart 4.7 Selected interest rates



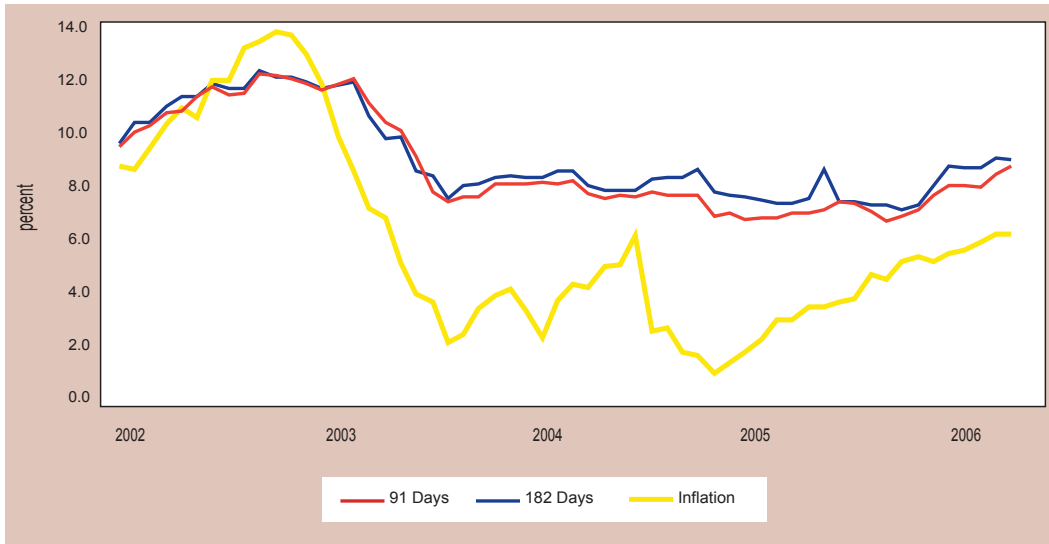
Looking at real trends, both lending and deposit rates moved in the same direction, showing a moderate declining trend during the fourth quarter of 2006. The average real lending rate declined from 5.99 percent at the end of September 2006 to 5.97 percent at the end December 2006 (Chart 4.8). Likewise, the average real deposit rate declined from 0.78 percent in September 2006 to 0.71 percent during the fourth quarter of 2006. These movements in the real interest rates were merely caused by an increase in the inflation from 5.50 percent during the third quarter to 6.10 percent during the fourth quarter of 2006 (Chart 4.8). The real deposit rates which are trending towards negative are not desirable, as it could discourage depositors from saving.

Chart 4.8 Real 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 increased from 7.94 percent at the end of the third quarter of 2006 to 9.18 percent in the quarter under review. For the six months bills, (182-days T-bills), the effective yield rose from 8.61 percent to 8.92 percent over the same period (Chart 4.9).

**Chart 4.9 Treasury bills discount rates**

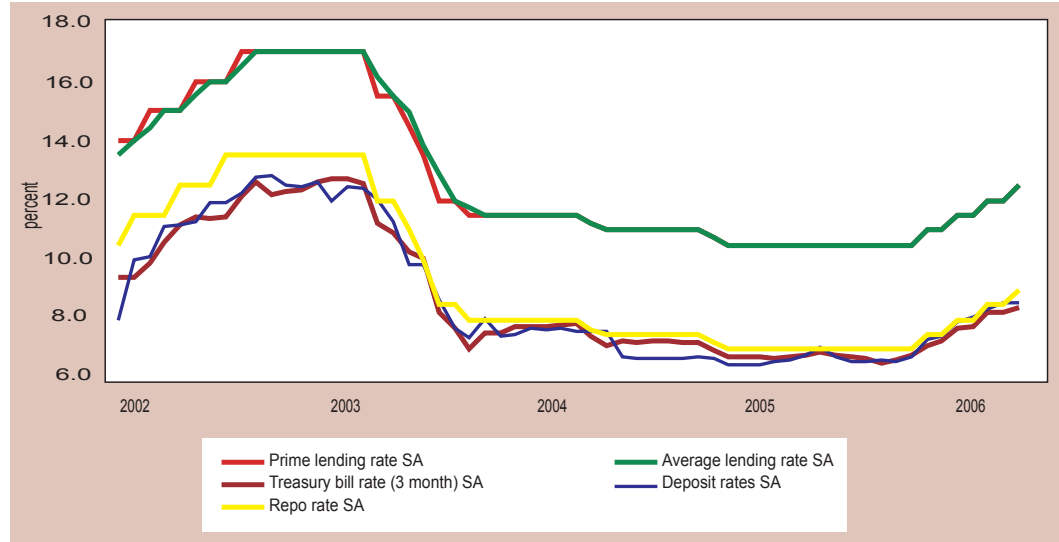


Due to Namibia's membership to Common Monetary Area, (CMA), and the need to align interest rates, a discussion of interest movements in South African, the member with the deepest financial markets, becomes essential. In South Africa, the Repo rate, the equivalent of the Bank rate in Namibia increased by 100 basis points to stand at 9.00 at the end of the fourth quarter. As a result, the average prime lending rate and the average lending rate in South Africa also increased by 100 basis points each to 12.50 percent at the end of the fourth quarter from 11.50 percent recorded at the end of the third quarter (Chart 4.10). In Namibia, the prime lending rate stood at 13.75 percent, while the average lending rate was 12.4 percent. The deposit rate in Namibia stood at 6.8 percent at the end of December, whereas the South African average deposit rate rose by 49 basis points from 8.08 percent at the end of the third quarter to 8.57 percent at the end of the fourth quarter. Consequently, the nominal spread between the average lending rate and deposit rate widened from 3.42 percent during the third quarter to 3.93 percent during the fourth quarter. This is nevertheless lower than the spread of 5.58 percent for Namibia, which is an indication that not only is the cost of capital in South Africa cheaper than in Namibia, but that depositors are rewarded better for their investments in South Africa than in Namibia. This divergence in interest rates could partially be attributed to lack of competition in the Namibian financial market, although other factors such as the cost of doing business in Namibia could also play a role.

The tightened monetary policy stance in South Africa that prevailed since the third quarter of 2006 was also reflected in the cost of Government borrowing. The 91-days Treasury bill stood at 8.39 percent in December 2006 from 7.75 percent in September 2006. It is worth

noting that over the same period, the 91-days Treasury bills for Namibia stood at 9.18 percent, 79 basis points higher than in South Africa. The deviation in the Treasury bills rate could be due to the fact the rates are generally higher in Namibia than in South Africa.

**Chart 4.10 Selected interest rates (South Africa)**



#### 4.2.2 Capital market developments

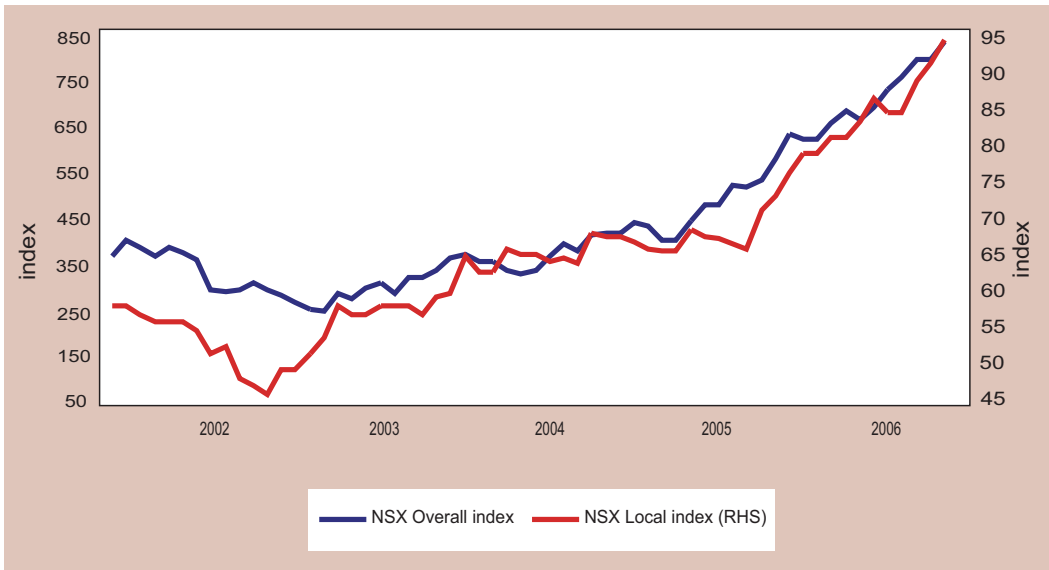
##### 4.2.2.1 Share prices

Activities on the locally listed companies on the Namibian stock exchange (NSX), gathered momentum during the quarter of 2006. The local price index, which measures the performance of only the Namibian companies on the NSX, rose by 11.1 percent from 82.0 points at the end of the third quarter to 91.1 points at the end of the fourth quarter (Chart 4.11). As a result, the local market capitalization also rose by 4.0 percent to N\$3.8 billion during the same period from N\$3.6 billion during the preceding quarter. The increase in local market capitalization is a direct effect of the general appreciation in the share price, particularly those of the financial industry. The local turnover, on the other hand, declined significantly from N\$17.9 million at the end of the third quarter to only N\$1.6 million at the end of the fourth quarter. The number of deals recorded in the NSX increased from 90 concluded during the third quarter to 107 at the end of the fourth quarter.

The general improvement in the performance on the NSX was also reflected in the overall price index, which measures the Namibian companies as well as the dual listed companies. The overall price index increased by 13.9 percent during the fourth quarter to reach 828.4 points from 727.3 points during the third quarter (Chart 4.11). Consequently, the overall market capitalization increased by 10.2 percent to N\$1112.5 billion at the end of the fourth quarter from N\$1009.0 billion recorded at the end of the third quarter. The positive movements in the overall market capitalization could also be attributed to the general appreciation of share prices. The overall turnover, on the other hand, declined considerably from N\$954.9 billion at the end of the third quarter to N\$528.6 billion at the end of the fourth quarter. At the same time, the number of deals recorded in the overall market increased to 697 deals during the fourth quarter from 560 at the end of the third quarter.



Chart 4.11 NSX price indices



Source: NSX

The performance in the overall market capitalization was mainly reflected in the performance of the mining and financial sectors. The mining sector increased from NS\$501.9 billion at the end of the third quarter to NS\$530.4 billion during the fourth quarter of 2006, while the financial sector rose from NS\$428.5 billion to NS\$485.3 billion at the end of the fourth quarter.

#### 4.2.2.2 Government bond yield

The effective yield for all bonds, except for the GC07, moved in the opposite of the general trend of the rates in the country. The effective yield for the GC10 declined from 9.27 percent in the third quarter to 8.82 percent in the fourth quarter. Similarly, the effective yield for the GC15 fell by 95 basis points to 8.95 percent at the end of the fourth quarter from 9.90 percent recorded during the third quarter. The effective yield for the GC24 also declined by 105 basis points from 10.18 percent recorded during the third quarter to 9.13 percent during the fourth quarter. The GC07, on the other hand, recorded an increase of 19 basis points to 9.12 percent during the fourth quarter from 8.93 percent recorded during the third quarter. The downward trend in the effective yield on bonds could be ascribed two factors: a decline in bond issuance supported by anticipated budget surplus and to the excess liquidity in the market.

## 5. PUBLIC FINANCE<sup>10</sup>

### 5.1 CENTRAL GOVERNMENT DEBT

Total central government debt for the third quarter of 2006/07 amounted to N\$13.5 billion, representing a decrease of 0.9 percent as compared to the stock at the end of the preceding quarter. This decline was reflected in the reduction of external debt, which was caused by repayment of some loans during the quarter under review. The major contributor to central government debt is domestic debt which accounted for 81.3 percent of total outstanding debt, while foreign debt accounted for 18.7 percent (Table 5.1). In relation to GDP, total outstanding debt decreased slightly to 30.7 percent from 31.0 percent recorded in the previous quarter of 2006/07.

**Table 5.1 Central Government debt (N\$ million)**

	2005/06			2006/07		
	Q2	Q3	Q4	Q1	Q2	Q3
<b>GDP</b>	<b>39,622.1</b>	<b>39,622.1</b>	<b>39,622.1</b>	<b>43,983.2</b>	<b>43,983.2</b>	<b>43,983.2</b>
<b>Foreign debt stock</b>	<b>1,950.6</b>	<b>2,000.2</b>	<b>1,843.3</b>	<b>2,381.3</b>	<b>2,675.6</b>	<b>2,526.3</b>
Bilateral	1,061.6	1,123.1	1,018.9	1,450.8	1,599.8	1,489.1
As % of total	54.4	56.1	55.3	60.9	59.8	58.9
Multilateral	889.0	877.2	824.4	930.5	1,075.8	1,037.2
As % of total	45.6	43.9	44.7	39.1	40.2	41.1
<b>Foreign debt as % exports</b>	<b>13.2</b>	<b>13.5</b>	<b>12.5</b>	<b>16.1</b>	<b>18.1</b>	<b>17.1</b>
<b>Domestic debt stock</b>	<b>10,464.1</b>	<b>10,844.0</b>	<b>10,689.8</b>	<b>10,862.1</b>	<b>10,962.0</b>	<b>10,987.8</b>
Treasury bills	5,206.0	5,117.0	4,762.8	4,655.0	4,425.0	4,250.0
As % of total	49.8	47.2	44.6	42.9	40.4	38.7
Internal registered stock	5,258.0	5,727.0	5,927.0	6,207.0	6,537.0	6,737.8
As % of total	50.2	52.8	55.4	57.1	59.6	61.3
<b>Other</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total</b>	<b>12,414.7</b>	<b>12,844.2</b>	<b>12,533.1</b>	<b>13,243.3</b>	<b>13,637.6</b>	<b>13,514.1</b>
<b>Proportion of total debt</b>						
Foreign debt stock	15.7	15.6	14.7	18.0	19.6	18.7
Domestic debt stock	84.3	84.4	85.3	82.0	80.4	81.3
<b>As % of GDP</b>						
Foreign debt stock	4.9	5.0	4.7	5.4	6.1	5.7
Domestic debt stock	26.4	27.4	27.0	24.7	24.9	25.0
<b>Total</b>	<b>31.3</b>	<b>32.4</b>	<b>31.6</b>	<b>30.1</b>	<b>31.0</b>	<b>30.7</b>

Source: BoN and MoF

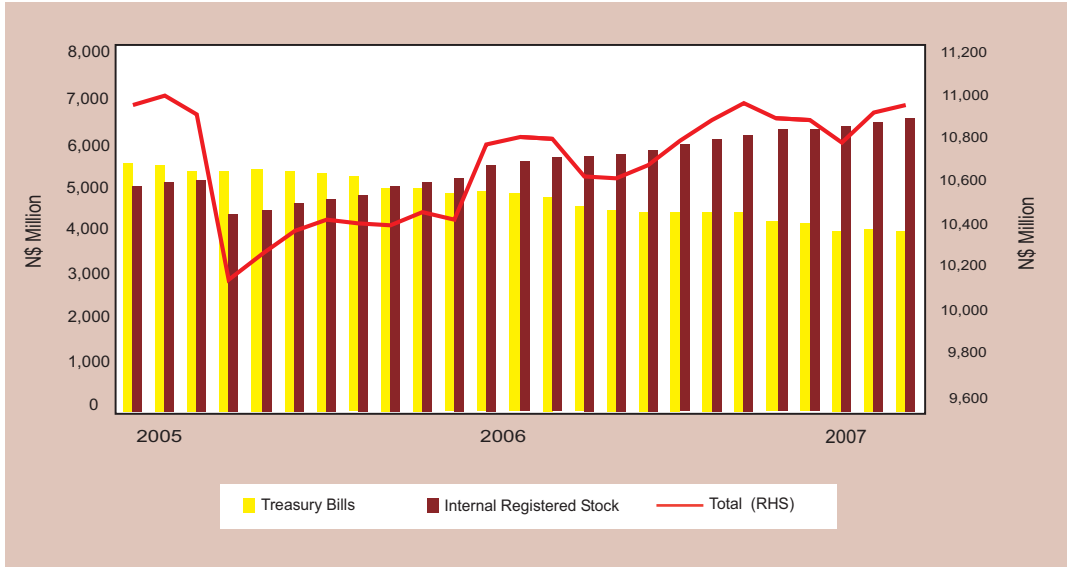
### 5.2 DOMESTIC DEBT

Total domestic debt rose by 0.2 percent to reach a level of N\$10.9 billion at the end of the third fiscal quarter. This is 1.3 percent higher than the recorded level at the end of the same period in 2005/06. The issuance of long-term bonds to the value of N\$160 million during the third quarter contributed to the increase in total domestic debt. Treasury bills issuance,

<sup>10</sup> All quarters mentioned under this section are fiscal quarters and not calendar quarters: implying the third fiscal quarter is the fourth calendar quarter.

on the other hand, continued with the downward trend experienced since the third quarter of 2003/04, recording a decline of 4.0 percent during the quarter under review (Chart 5.1).

**Chart 5.1 Total domestic debt by security**

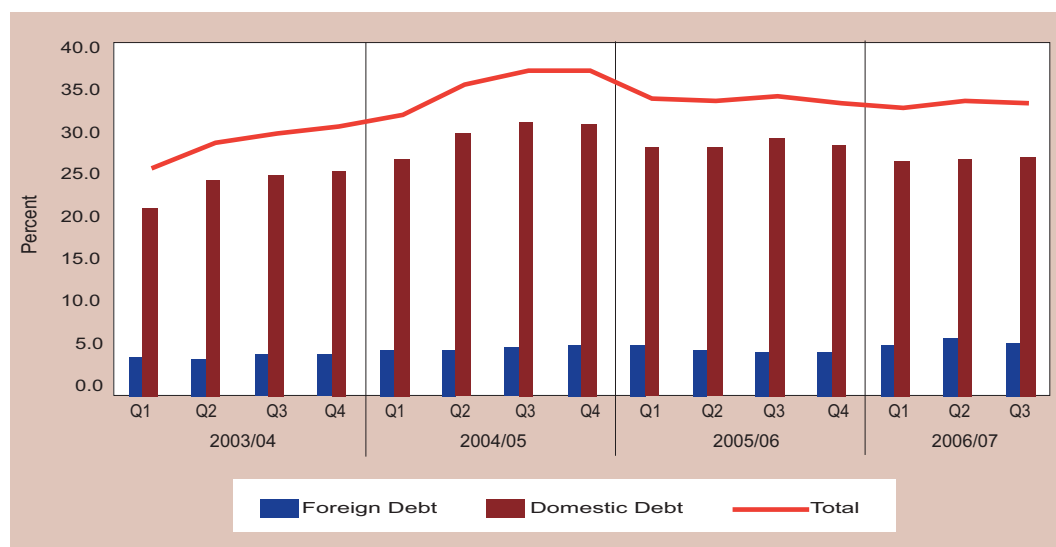


Domestic debt still forms the largest part of total debt, representing 81.3 percent at the end of the third quarter, an increase from 80.4 percent recorded at the end of the second quarter of 2006/07. A year ago at the end of the corresponding quarter, the proportion was higher at 84.4 percent. As a percentage of GDP, domestic debt stood at 25.0 percent at the end of third quarter of 2006/07

**5.3 EXTERNAL DEBT**

Total external debt at the end of December 2006 was N\$2.5 billion, representing a decline of 5.6 percent when compared to the stock at the end of the previous quarter. During the same period in 2005/06, foreign debt was N\$2.0 billion, 26.3 percent lower than the current level. The decline in total external debt stock over the quarter was due to the repayment on some of the outstanding loans. As a percentage of GDP, external debt stood at 5.8 percent lower than 6.1 percent recorded during the second quarter of 2006/07 (Chart 5.2).

Chart 5.2 Central Government debt as percentage of GDP



Source: BoN and MoF

Bilateral loans continue to take up the major share of the central government external debt, accounting for 58.9 percent, while the remaining portion is from multilateral sources. The biggest share of bilateral loans is contracted with the German Government (KfW) on concessional terms. It is encouraging to note that most of the loans are on concessional terms, because the maturity period is longer and the interest to be paid is low. Both bilateral- and multilateral loans recorded declines of 6.9 percent and 3.9 percent, respectively. Bilateral loans represented 58.9 percent and multilateral loans 41.1 percent of total foreign debt stock.

### 5.3.1 Currency composition of external debt

Developments in Namibia's foreign debt currency composition during the third quarter of 2006/07 showed a mixed picture when compared to the preceding fiscal quarter. The share of some of the currencies to total foreign debt increased, while others either remained constant or decreased (Table 5.2). The Euro continued to dominate the currency composition of the Namibian foreign debt, though, decrease slightly to a share of 54.1 percent from 58.5 percent recorded during the previous quarter of 2006/07. This was also lower than 55.6 percent recorded in the corresponding quarter of the preceding year. The rand denominated debt increasing its share to 24.1 percent from 21.1 percent noted during the second quarter of 2006/07. The increased share of Rand denominated debt was as a result of new disbursements recorded during the period under review. This is a reflection of the Government's objective of borrowing in Rand to avoid the exchange rate risk associated with other foreign currencies, given the peg of the Namibia Dollar to the Rand.

Debt denominated in US dollar ranked third with a percentage share of 6.8 percent, though lower than 7.6 percent recorded in the second quarter of 2006/07. Debt denominated in the Yuan Renminbi followed with a share of 6.9 percent which is an increase from 5.6 percent during the preceding quarter. The rest of the currencies together contributed 8.0 percent to the total currency composition, an increase from 7.2 percent during the third quarter of 2006/07 and an increase of 2.7 percent during the same quarter in 2005/06.

**Table 5.2 Currency composition of external debt (Percentage Share)**

Currency	Dec-05	Mar-06	Jun-06	Sep-06	Dec-06
Swiss Francs	0.9	0.9	0.9	0.8	0.8
Yuan Renminbi	9.8	4.7	5.0	5.7	6.9
Euro	55.6	57.4	57.5	58.5	54.1
Pound Sterling	0.3	0.3	0.2	0.2	0.2
Thousands of Yen	0.3	1.0	0.2	0.2	0.2
Kuwaiti Dinar	0.1	0.4	5.1	4.9	5.5
United States Dollar	7.1	7.5	7.6	7.6	6.8
Special Drawings Rights	1.1	2.7	1.0	1.0	1.3
Rand	24.8	25.4	22.6	21.1	24.1
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: MoF

#### 5.4 CENTRAL GOVERNMENT LOAN GUARANTEES

Total loan guarantees of central Government increased to N\$3.8 billion during the third quarter of 2006/07, 6.9 percent higher than the second quarter. As a percentage of GDP, total loan guarantees represented 8.8 percent, an increase of 0.6 percentage points when compared to 8.2 percent of the second quarter (Table 5.3). In 2005/06 during the third quarter, the ratio to GDP stood at 7.0 percent.

**Table 5.3 Central Government loan guarantees**

	2005/006				2006/07		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>GDP</b>	<b>39,622.1</b>	<b>39,622.1</b>	<b>39,622.1</b>	<b>39,622.1</b>	<b>43,983.2</b>	<b>43,983.2</b>	<b>43,983.2</b>
Domestic guarantees	1,340.6	1,410.6	1,537.9	1,494.6	1,494.6	1,505.3	1,826.1
As % of GDP	3.4	3.6	3.9	3.8	3.4	3.4	4.3
As % of total guarantees	52.3	53.6	55.7	42.6	41.1	41.2	47.3
Foreign guarantees	1,221.7	1,221.7	1,221.7	2,010.2	2,142.7	2,109.7	2,037.4
As % of GDP	3.1	3.1	3.1	5.1	4.9	4.8	4.6
As % of total guarantees	47.7	46.4	44.3	57.4	58.9	58.8	52.7
Total guarantees	2,562.3	2,632.3	2,759.6	3,504.8	3,637.3	3,615.0	3,863.5
As % of GDP	6.5	6.6	7.0	8.8	8.3	8.2	8.8

Source: MoF and BoN

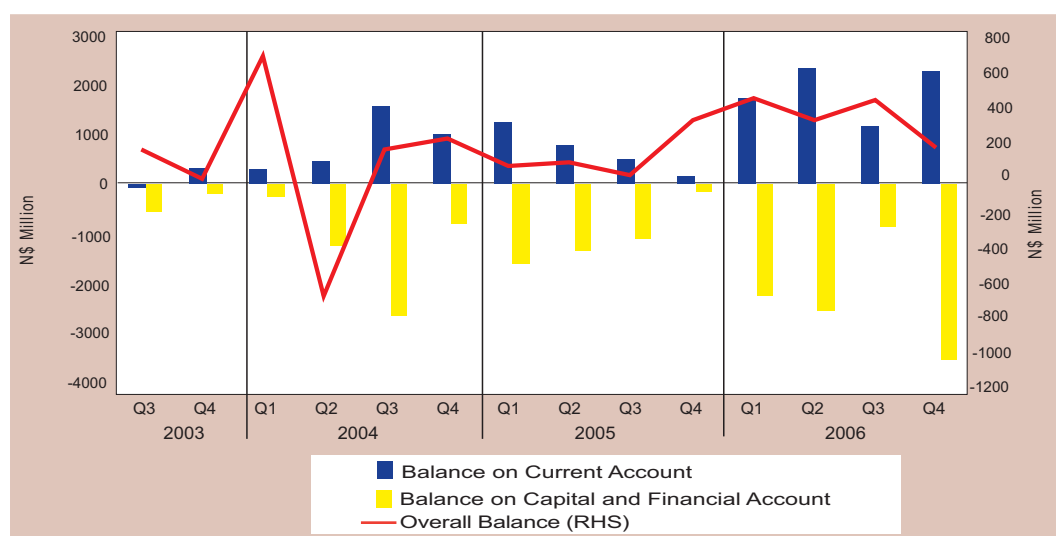
Domestic guarantees increased by 21.3 percent to N\$1.8 billion during the third quarter from N\$1.5 billion at the end of the second quarter of 2006/07. This increase was caused by a new guarantee issued to a domestic creditor on behalf of a state owned enterprise. During the same period of 2005/06 Government's domestic guarantees stood at N\$1.5 billion. Foreign guarantees on the other hand, declined by 3.4 percent to stand at N\$2.0 billion at the end of the third quarter of 2006/07. As a percentage of GDP, domestic loan guarantees represented 4.2 percent of GDP while foreign loans represented 4.6 percent at the end of the third fiscal quarter.

## 6. FOREIGN TRADE AND PAYMENTS

### 6.1 OVERVIEW OF THE BALANCE OF PAYMENTS

The Namibian balance of payments continued recording a current account surplus and capital and financial account deficit during the fourth quarter of 2006. The outcome in each account was substantially higher than the result recorded for the preceding quarter of 2006 and corresponding period of 2005 (Chart 6.1). The overall balance of the balance of payments continued recording a surplus during the fourth quarter of 2006, albeit lower than that recorded for both the preceding quarter and corresponding quarter of 2005.

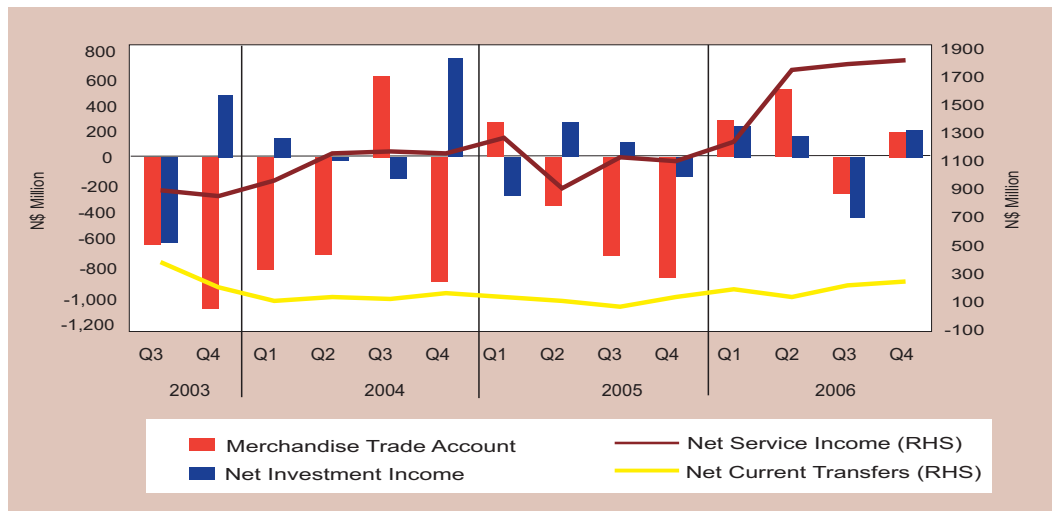
Chart 6.1 Balance of payments major accounts



### 6.2 CURRENT ACCOUNT

The fourth quarter of 2006 saw the current account recording a surplus of N\$2.4 billion, significantly higher than both the surpluses of N\$1.2 billion and N\$144 million recorded during the previous quarter and corresponding period of 2005, respectively. A surplus in the merchandise trade balance, improved inflows in the services account coupled with a reduction of investment income, were the driving forces behind the higher surplus in the fourth quarter (Chart 6.2). Although SACU receipts remained constant quarter-on-quarter, it continues to play a significant contribution to the current account surplus in Namibia. Significant rises in inflows from services rendered to non-resident enterprises and households, current transfers received and export earnings relative to those of imports during the quarter also contributed to the outcome during the fourth quarter.

Chart 6.2 Current account sub-accounts



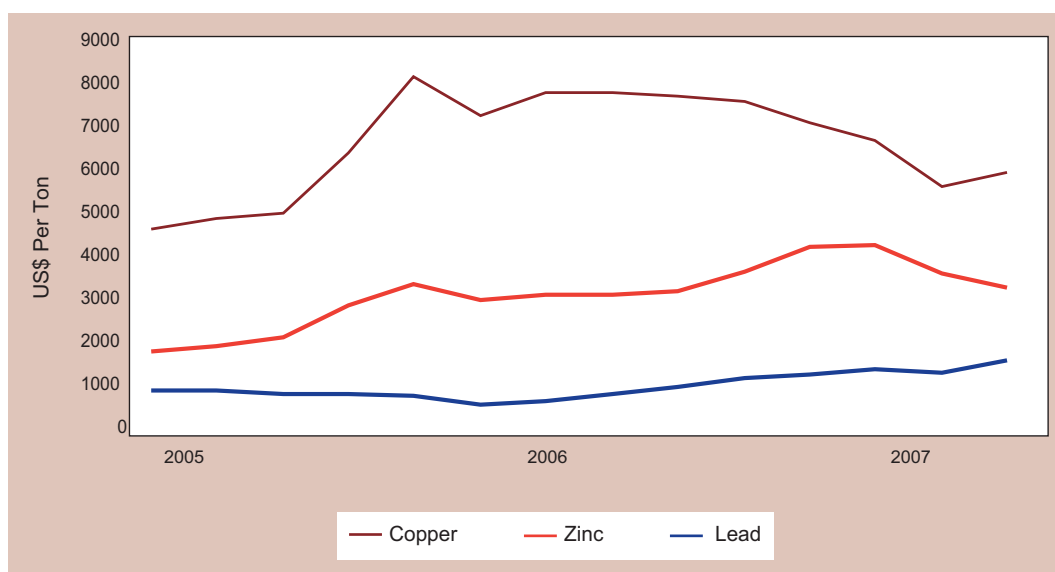
Namibian exports for the fourth quarter of 2006 grew, while imports declined, resulting in a *merchandise trade surplus* during this quarter. The *merchandise trade* account recorded a surplus of N\$179 million compared to deficits of N\$266 million and N\$861 million during the preceding and corresponding quarter of 2005, respectively (Chart 6.2). The value of merchandise exports rose by 7.5 percent, quarter-on-quarter to N\$5.1 billion while the value of imports over the same period declined by 1.9 percent to N\$4.9 billion. The decline in imports is due to a higher base during the third quarter of 2006 caused by an importation of a large item.

The Namibian economy is primarily driven by the primary sector, in particular mining and quarrying. Accordingly, the mining sector, especially the categories *other mineral products*<sup>11</sup> and diamonds, is the mainstay for foreign exchange earnings for Namibia and contributed to the positive outcome of the trade balance during the quarter under review. Quarter-on-quarter, export earnings of *other mineral products* grew by 41.6 percent to N\$1.2 billion mainly on account of minerals like copper and silver despite the decline in concentrated zinc exports. The increase in other mineral exports is attributed to the prevailing higher international prices of minerals and favorable exchange rates over the period (Chart 6.3).

Diamond exports, the key driver for the mining industry recorded a substantial increase of 27.2 percent during the fourth quarter of 2006, from the level of N\$1.7 billion in the third quarter. Year-on-year, diamond exports also increased by 48.1 percent from N\$1.4 billion recorded during the fourth quarter of 2005. The observed increases are reflected in the higher volumes of diamonds exported based on higher demand.

<sup>11</sup> This includes unprocessed base metals such as gold, zinc, copper, lead, etc.

Chart 6.3 Metal monthly average prices



Source: London Metal Exchange

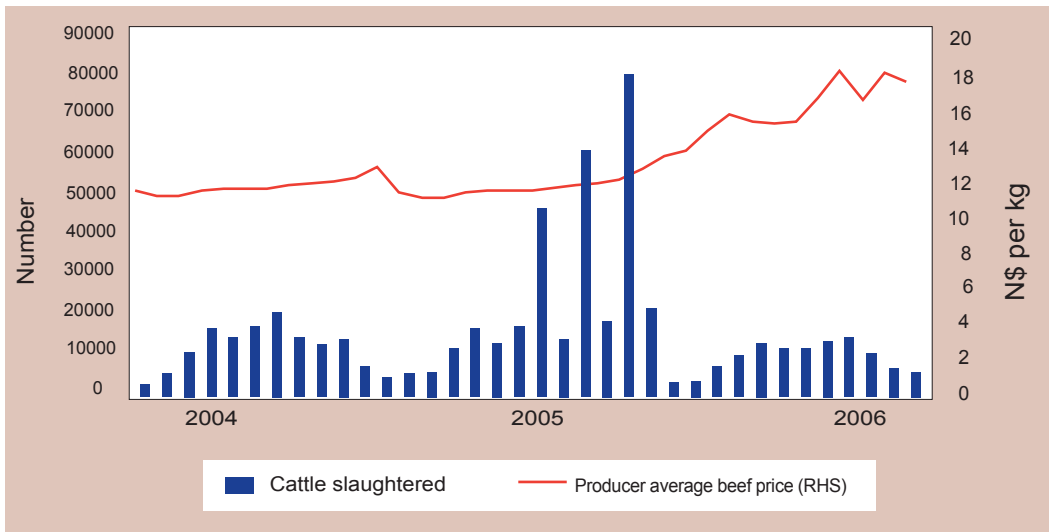
The value of exports of food and live animals declined by N\$216 million, quarter-on-quarter, to N\$436 million, mainly on account of the decline observed in the sub-category *live animals*, exports which declined by 66.0 percent. The decline in export earnings of live animals is attributed to the ending of the peak period for the sale of weaners<sup>12</sup> and the decline in cattle prices (Chart 6.4).

Export in manufactured products declined during the fourth quarter of 2006, recording a level of N\$1.3 billion, 11.0 percent lower than the level in the third quarter. This decline was on account of the export value of processed fish that dropped substantially by 60.0 percent quarter-on-quarter. The drop in fish exports was seen mainly in the demersal fish products, in particular, the hake and other processed fish. *Meat and meat preparations* exported also declined by 15.0 percent during the fourth quarter of 2006 recording a level of N\$249 million. The observed decline in meat and meat preparations are because of a drop in beef prices. Zinc exports, a key element in manufactured exports, increased during the fourth quarter by 25 percent from N\$640 million in the preceding quarter to N\$799 million. The increase was, however, not enough to offset the decline in the processed fish exports and hence the contraction in the overall category.

<sup>12</sup> Peak period ends in August.



Chart 6.4 Number of cattle slaughtered for exports and prices



Source: Meat Board

Namibia remained a net exporter of *services* during the fourth quarter of 2006, with income received outweighing the payments for the services sub-account. This state has been observed over the last eight quarters. The fourth quarter of 2006 recorded an estimated net services inflow of N\$211 million, N\$38 million higher than that recorded in the third quarter and N\$117 million higher than the corresponding period in 2005. The sub-category *travel* is estimated to have continued recording net inflows of N\$554 million, during the fourth quarter of 2006 compared to N\$509 million in the third quarter of 2006. This is mainly attributed to Namibia’s tourism sector that reached a peak performance during the fourth quarter of each year. Further, travelling to Namibia was influenced positively by the overseas publicity that followed the visit of well-known movie stars to the country and the favourable exchange rate of the Namibia Dollar.

The decline in payments for *other private services* by N\$25 million, quarter-on-quarter, resulted in a net outflow of N\$219 million during the fourth quarter. Year-on-year, there was, however, an increase in outflows of N\$90 million. Payments for the *insurance services sub-category* increased slightly during the fourth quarter to N\$32 million from N\$31 million in the third quarter, but increased substantially from N\$3 million recorded during the corresponding period in 2005. The reduction in outflows demonstrates Namibia’s commitment towards becoming self sustaining with regard to services provision, while the growth in services inflows could be attributed to efforts of making the country a tourism destination.

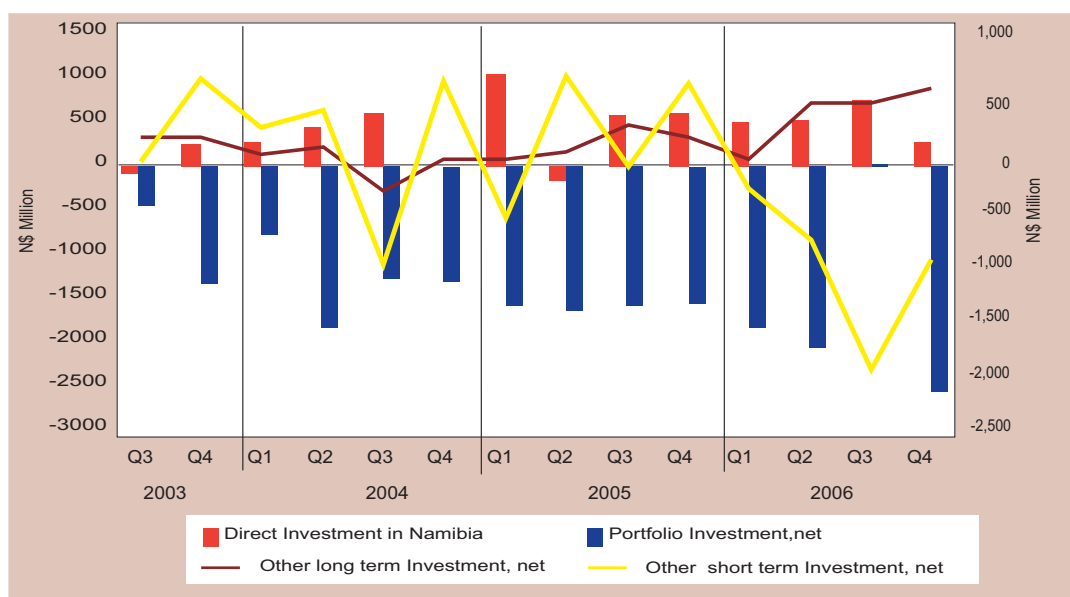
During the fourth quarter of 2006 *investment income* recorded a net inflow of N\$191 million, compared with net outflows of N\$432 million and N\$146 million in the preceding quarter and corresponding quarter of 2005. This was as a result of a decline in income paid, particularly to direct investors.

*Net current transfers* receivable during the fourth quarter of 2006 remained almost constant when compared to the third quarter, given a meager rise of 1.7 percent to N\$1.8 billion. The small rise resulted from the category *withholding taxes* that rose by 34 percent, as SACU receipts remained constant at N\$1.7 billion. *Private current transfers*, on the other hand, declined to N\$37 million from N\$51 million in the previous quarter. Year-on-year, *current transfers* receivable rose significantly by N\$719 million from those received in the fourth quarter of 2005, mainly on account of SACU receipts and *withholding taxes*. SACU receipts grew by N\$646 million, year-on-year, a welcome development for Namibia given its impact on the fiscal account. *Withholding taxes* also grew by N\$15 million during the fourth quarter of 2007.

### 6.3 CAPITAL AND FINANCIAL ACCOUNT

The capital and financial account was estimated to have recorded a much higher deficit during the fourth quarter of 2006 than those recorded in the previous quarter and corresponding quarter of 2005. The deficit widened significantly to N\$2.6 billion in the fourth quarter from a lower deficit of N\$618 million in the third quarter, mainly on account of *portfolio investment* outflows (Chart 6.5). The category *portfolio investments* continued to record net outflows and were significantly higher than those recorded during the preceding quarter and corresponding quarter of 2005. Long-term investment also contributed to the outflow experienced in this account (Chart 6.5).

Chart 6.5 Capital and financial account sub-accounts



*Direct investment into Namibia* declined by 61.2 percent, during the fourth quarter of 2006, reaching a lower inflow of N\$310 million compared to N\$799 million recorded during the preceding quarter (Chart 6.5). The corresponding quarter of 2005 also saw the category recording a higher inflow of N\$649 million. A substantial decline in the *reinvested earnings* of N\$1014 million to N\$357 million was the main driver for the reduction in *direct investment* into Namibia during the quarter. The quarter-on-quarter decline in reinvested earnings was a result of losses incurred by investors during the fourth quarter. On an annual basis,

*reinvested earnings* also declined substantially during the fourth quarter from N\$445 million. Equity capital inflows also declined, recording an inflow of N\$46 million compared to that of N\$198 million during the preceding quarter. The sub-category *other capital, on the other hand*, recorded a substantial outflow of N\$1.3 billion compared to an inflow of N\$8 million during the third quarter. The rise in other capital outflows during the fourth quarter of 2006 shows that non-resident parent companies borrowed funds from their subsidiaries in Namibia.

The *portfolio investment sub-account* recorded a net outflow of N\$2.7 billion during the fourth quarter compared to a net inflow of N\$42 million during the third quarter (Chart 6.5). Investments in *equity assets* and *debt instruments* both recorded substantial growth, quarter-on-quarter, to record outflows of N\$1.8 billion and N\$869 million compared to inflows of N\$15 million each during the third quarter, respectively. *Portfolio investment* is an outlet through which excess Namibian funds leave the country for investments abroad. As a result, this sub-account usually displays a relatively large amount of capital outflow. Although the outflow of funds for investment purposes could have a positive side, given the investment income generated for the country, it would appear to also indicate a lack of investment opportunities in Namibia and hence the need for financial sector deepening.

During the fourth quarter of 2006, *other long-term investment* continued recording net inflows like in the preceding quarter and the corresponding quarter of 2005, though at a much higher level of N\$557 million (Chart 6.5). The sub-account recorded a net inflows of N\$423 million in the preceding quarter and N\$117 million in the corresponding quarter of 2005. The category '*other long-term investment*' is mainly dominated by flows in long-term loans of sub-categories *General Government, banks* and *other private sectors*. Banks and other private sectors are the two sectors with short-term flows captured under this category. *Banks, General Government* and *other sectors* increased their foreign liabilities during the quarter. *Banks* incurred long term liabilities of N\$351 million compared to that of N\$104 million during the third quarter. Similarly, *General Government* also incurred long term liabilities during the fourth quarter to the tune of N\$38 million compared to an increase in long term assets of N\$20 million during the third quarter. *Other sectors* also incurred liabilities of N\$169 million which was less than the N\$339 million recorded in the third quarter.

*Other short-term investments* recorded a net outflow of N\$914 million during the fourth quarter, 55.9 percent lower than that recorded in the previous quarter (Chart 6.5). The corresponding period of 2005, registered an inflow of N\$614 million. The *banks* increased their foreign assets to N\$1004 million, but reduced their foreign liabilities to N\$92 million, during the fourth quarter. This compares to an increase of N\$825 million in assets and a reduction of N\$1.3 billion in liabilities recorded during the third quarter of 2006 for the two items, respectively. The sub-category *other sectors* recorded an inflow of N\$18 million, lower than that of N\$31 million during the third quarter.

The developments in the current-and the capital and financial account resulted in a surplus of N\$62 million for the overall balance of payments. The continuing surplus in the current account, an indication of excess savings, continues to portray a positive image for Namibia.

During the fourth quarter of 2006, the *stock of international reserves*, under the control of the Bank of Namibia, remained unchanged at N\$2.9 billion compared to the end of the previous quarter (Chart 6.6). When compared to the corresponding quarter of 2005, the stock of reserves increased by N\$1 billion from N\$1.9 billion. The level of international reserves at the end of the fourth quarter of 2006 represented 9 weeks of import cover, which was the same as in the third quarter, but higher than the 6 weeks in the corresponding quarter of 2005.

**Chart 6.6** Quarterly international reserve stocks and import cover



#### 6.4 EXTERNAL DEBT <sup>13</sup>

At the end of the fourth quarter of 2006, the total stock of foreign debt for Namibia was estimated at N\$7.0 billion. This represents a decline of N\$411 million, quarter-on-quarter, while, year-on-year, the stock declined by N\$2 billion (Table 6.2).

<sup>13</sup> In this section, external debt consists of that of Central Government, Parastatals and Private Sector. Figures are preliminary, except for Government, and are subject to change when actual data becomes available.

Table 6.2 Total foreign debt of Namibia (N\$ million)

	2005		2006			
	Q3	Q4	Q1	Q2	Q3	Q4
<b>Foreign Debt Outstanding</b>	<b>6,704</b>	<b>4,645</b>	<b>10,839</b>	<b>8,331</b>	<b>7,173</b>	<b>6,775</b>
Central Government	1,951	2,000	1,843	2,381	2,676	2,526
Parastatals	1,308	1349	1,334	1,442	1,510	1,477
Private sectors	3,445	2,267	7,662	4,508	2,997	2,772
<b>Foreign debt services</b>	<b>1,778</b>	<b>595</b>	<b>648</b>	<b>570</b>	<b>688</b>	<b>793</b>
Central Government	22	54	29	46	95	51
Parastatals	410	19	25	5	3	1
Private sectors	1,347	522	594	519	590	740
<b>Percentage</b>						
Outstanding Debt Q-on-Q	76	-30.7	133.4	-23.1	-27.9	-22.9
Debt Service Q-on-Q	177.7	-66.5	8.9	-12	20.7	24.8
Debt Service to Exports F.o.B	58.4	15.9	16.6	13.2	14.5	15.7
Memorandum item						
Exports FoB	3,046	3,734	3,900	4,315	4,742	5,047

Source: BoN and MoF

The quarter-on-quarter decline in outstanding foreign debt at the end of the fourth quarter of 2006, was caused mainly by the decline of 228 million to N\$2.8 billion in the stock of private sector<sup>14</sup> outstanding debt. This was supported by the decrease in outstanding stock foreign debt stock for the other sub-categories, namely Central Government and parastatals.

There has been an increase in debt service since the third quarter of 2006. Year-on-year data also recorded an increase in this external-debt category. This was mainly due to private sector debt service that rose noticeably to N\$740 million during the fourth quarter of 2006 from N\$590 million recorded during the second quarter of 2006 and N\$522 million recorded during the corresponding quarter of 2005. However, Central Government debt service fell to N\$51 million from N\$95 million in the third quarter of 2006. Debt service of parastatals also, decreased to N\$1 million from N\$3 million in the third quarter of 2006. As a percentage of merchandise exports, debt service rose to 15.7 percent from 14.6 percent during the third quarter of 2006. When compared to the corresponding quarter of 2005, debt service as a percentage of merchandise exports remained almost constant at 16 percent.

## 6.5 INTERNATIONAL INVESTMENT POSITION

At the end of the fourth quarter of 2006, the international investment position (IIP) for Namibia continued to record a net asset position. The stock of the net foreign assets was, however, lower than that recorded at the end of the third quarter of 2006, but higher than that recorded at the end of the corresponding quarter of 2005 (Table 6.3). The net asset position at the end of the fourth quarter of 2006 stood at N\$14 billion, a decrease from N\$18

<sup>14</sup> Private sector debt is mostly both inter-company loans and trade credits by nature, and developments in the trend are mostly determined by the agreements arising on how such type of liabilities need to be paid off.

billion recorded at the end of the preceding quarter. However, the corresponding quarter of 2005 recorded a lower amount of only N\$5 billion. Investments in portfolio instruments continued to dominate the foreign assets, while direct investment in the domestic economy is the dominant feature under foreign liabilities.

**Table 6.3 International investment position (N\$ million)**

Types of international investments	2005			2006			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Assets</b>	<b>26,845</b>	<b>31,461</b>	<b>29,840</b>	<b>35,791</b>	<b>40,622</b>	<b>44,551</b>	<b>41,513</b>
Direct Investment Abroad	259	106	162	198	796	852	51
Portfolio Investments	22,738	27,803	25,901	30,895	34,479	37,204	31,192
Other Investments	2,103	1,935	1,916	2,445	2,853	3,618	7,331
International Reserves	1,744	1,617	1,861	2,253	2,494	2,877	2,939
<b>Liabilities</b>	<b>26,338</b>	<b>21,085</b>	<b>25,112</b>	<b>27,908</b>	<b>26,123</b>	<b>26,112</b>	<b>27,065</b>
Direct Investment in Namibia	17,853	14,049	15,518	16,195	16,918	18,052	19,416
Portfolio Investments	387	387	585	584	584	584	584
Other Investments	8,098	6,649	9,010	11,129	8,621	7,476	7,065
<b>Net asset (+)/liability (-)</b>	<b>507</b>	<b>10,376</b>	<b>4,728</b>	<b>7,883</b>	<b>14,499</b>	<b>18,439</b>	<b>14,448</b>

The foreign assets of Namibia declined to N\$42.0 billion at the end of the fourth quarter from N\$44.6 billion at the end of the third quarter of 2006. Lucrative and diverse investment opportunities in the South African money market continued to attract *portfolio investments* from Namibia as could be illustrated by the capital outflows in the form of *portfolio investment*. However, portfolio investment stock dropped quarter-on-quarter due to a reduction in equity securities offshore. This reduction could be due to deliberate efforts by authorities to encourage the use of the local capital. At the end of the corresponding quarter of 2005, the foreign assets were lower at N\$30.0 billion. A substantial decline was observed in foreign assets held in the form of *portfolio investments* and *direct investments* during the fourth quarter of 2006, while reserves and the category *other investment* during the same period.

The liability towards the non-residents at the end of the fourth quarter of 2006 slightly increased, by 8 percent to N\$27.1 billion at the end of the fourth quarter of 2006. The increase was mainly due to a rise in the category *direct investments* in Namibia (Table 6.3). The category *direct investment* increased, quarter-on-quarter, by 8 percent to N\$19.4 billion, while other *investment* declined by 5 percent to N\$7.1 billion. When compared to the corresponding period of 2005, the position in direct investments rose by 25.1 percent from N\$15.5 billion.

6.6 EXCHANGE RATES<sup>15</sup>

The last three quarters of 2006 saw the continuation of the depreciation of the Namibia Dollar (N\$) against USA Dollar (US\$), British Pound (GBP) and the Euro. The rates of depreciation during the fourth quarter of 2006, however, slowed down, quarter-on-quarter, but accelerated year-on-year (Table 6.4).

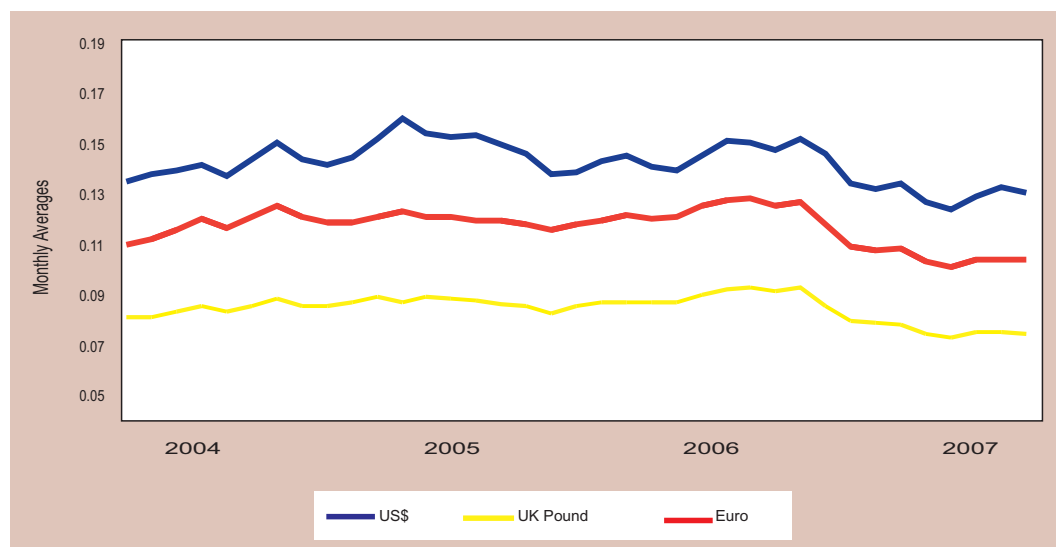
**Table 6.4 Exchange rates-N\$ per respective foreign currencies**

Period	Quarterly averages			Changes (%)					
				Quarter-on-quarter			Year-on-year		
	US\$	GBP	Euro	US\$	GBP	Euro	US\$	GBP	Euro
2005									
Q2	6.4112	11.8944	8.0733	6.9	4.8	2.6	-2.7	-0.1	1.6
Q3	6.5088	11.6126	7.9386	1.5	-2.4	-1.7	2.1	0.2	1.9
Q4	6.5307	11.4200	7.7679	0.3	-1.7	-2.2	7.8	-0.4	-0.9
2006									
Q1	6.1537	10.7849	7.4038	-5.8	-5.6	-4.7	2.6	-5.0	-6.0
Q2	6.4489	11.7852	8.1102	4.8	9.3	9.5	0.6	-0.9	0.5
Q3	7.1498	13.3986	9.1131	10.9	13.7	12.4	9.8	15.4	14.8
Q4	7.3161	14.0168	9.4355	2.3	4.6	3.5	12.0	22.7	21.5

Quarter-on-quarter, the Namibia Dollar depreciated by 2.3 percent, 4.6 percent and 3.5 percent against the US\$, GBP and Euro, respectively during the fourth quarter of 2006. Year-on-year, the depreciation rates were 12.0 percent, 22.7 percent and 21.5 percent, respectively (Chart 6.7). Also, the depreciation of the N\$ continued, month-on-month, during January 2007, trading at a monthly average of N\$7.1838, N\$14.0828 and N\$9.3442 against the US\$, GBP and Euro, respectively.

<sup>15</sup> The N\$ trades one to one against the South African Rand (ZAR) and is therefore referred to interchangeably. The listed rates 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 6.7 Foreign currencies per Namibia Dollar



The depreciation in the Namibia Dollar is mainly attributed to the movements in the US Dollar against other currencies and the high level of the current account deficit experienced by South Africa. The present state of the current account and the uncertainty as to how long it would last, remain a serious concern.

#### 6.6.1 Trade weighted effective exchange rates<sup>16</sup>

The continuous depreciation of the N\$ against the major currencies during the last three quarters of 2006, coupled with increasing inflation over the same period has filtered through on a trade weighted front and made Namibian imports more expensive. The export oriented industries in Namibia has, however, benefited positively from the favourable exchange rates. This was evident in the higher export receipts from the same amounts of goods exported during the fourth quarter of 2006.

The nominal effective exchange rate index (NEER) of the Namibia Dollar depreciated, quarter-on-quarter, by 1.1 percent to reach an index of 93 in the fourth quarter of 2006. Similarly, the real effective exchange rate index (REER), declined, quarter-on-quarter, by 0.1 percent to an index level of 88. The decline in the REER comes as no surprise, with the depreciating N\$ and left Namibian products more competitive on international markets during the fourth quarter, by the magnitude of the decline.

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



**BANK OF NAMIBIA**  
**RESEARCH DEPARTMENT**  
**REVISION POLICY: BALANCE OF PAYMENTS**

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

**REVISION ON THE QUARTERLY BALANCE OF PAYMENTS  
DATA FOR THE THIRD QUARTER OF 2006**

The balance of payments data for the third quarter of 2006 as disseminated to the public in this publication is subjected to upward or downward revision (Table 6.1). In light of this, certain items as published in the December 2006 Quarterly Bulletin (Volume 15 Number 4) are revised in this publication. This notice, however, only highlights items on which significant revisions were made.

On the current account, a downward revision was made to the *sub-category services net*. This revision came from the *travel* sub-item within the service-sub category that was revised upward. This was to reflect the latest held view that travel in the region has increased remarkably. On the capital and financial account, a downward revision was made to the data on the sub-category *direct investment abroad*, while an upward revision was made to the sub-category *direct investment in Namibia*. Revisions in these two sub-categories were effected to replace estimates that were made due to the late submission of actual data from some data providers surveyed every quarter. The sub-category *portfolio investment* was also revised upward. This is due to the revised data provided by some respondents during the previous quarter. There are other discrepancies between the data published in this edition and the December Quarterly Bulletin 2006, though not reflected here as they are deemed insignificant to warrant inclusion in this revision-note provision.

**Table 6.1 Balance of Payments Revised Data for the Third Quarter 2006 (N\$ millions)**

	As Published in December 2006 Quarterly Bulletin	As Published in March 2007 Quarterly Bulletin	Discrepancy
<b>Current Account</b>			
Services	246	173	73
<b>Capital and Financial Account</b>			
Direct investment abroad	27	-8	35
Direct investment in Namibia	664	799	135
Portfolio investment	-2071	42	2029

## 7. STATISTICAL APPENDIX

### 7.1 METHODS AND CONCEPTS

#### BALANCE OF PAYMENTS

##### Accrual accounting basis

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

##### Balance of Payments

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

##### Capital and Financial Account

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

##### Capital Transfers

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

### Current Account

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

### Current Transfers

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

### Direct Investment

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

### Double-entry accounting

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

### Goods

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

### Income

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

### Merchandise Trade Balance

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

### Net Errors and Omissions

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

### Other Investment

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

### Overall Balance of Payments

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

### Portfolio Investment

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

### Reserve Assets

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

### Residency

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

## MONETARY AND FINANCIAL STATISTICS

### 3-MONTH BA RATE

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

### Bank rate

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

### Depository Corporations Survey

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

### Bond

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

### Broad Money Supply (M2)

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

### Transferable Deposits

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

### Other Depository Corporations (ODCs)

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

### Deposit rate

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

### Dual-listed Companies

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

### Lending rate

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

### Local Market in terms of NSX

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

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

### Market Turnover

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

The number of shares traded on the NSX.

### Money Market rate

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

### Mortgage rate

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

### Overall Market in terms of NSX

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

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

### Real Interest rate

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

**7.2 STATISTICAL TABLES**

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Table 1.1 Aggregate economic indicators

	2001	2002	2003	2004	2005
<b>Current prices</b>					
GDP (N\$ mil.)	27686	32908	33842	36181	38560
% Change	16.9	18.9	2.8	6.9	6.6
GNI (N\$ mil.)	27677	33264	35574	36181	38560
% Change	15.7	20.2	6.9	1.7	6.6
GDP per capita (N\$)	14853	17220	17293	18081	18874
% Change	16.7	15.9	0.4	4.6	4.4
GNI per capita (N\$)	14848	17406	18178	18351	18781
% Change	15.6	17.2	4.4	1.0	2.3
<b>Constant 1995 prices</b>					
GDP (N\$ mil.)	15462	16494	17069	18193	18949
% Change	2.4	6.7	3.5	6.6	4.2
GNI (N\$ mil.)	17541	19054	18942	19429	19960
% Change	5.6	8.6	-0.6	2.6	2.7
GDP per capita (N\$)	8295	8631	8722	9092	9295
% Change	2.3	4.1	1.1	4.2	2.0
GNI per capita (N\$)	9410	9970	9679	9710	9770
% Change	5.5	6.0	-2.9	0.3	0.6

Source: Central Bureau of Statistics

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

	2001	2002	2003	2004	2005
<b>Current prices - N\$ million</b>					
Compensation of employees	10616	12012	13051	13903	14477
Consumption of fixed capital	3561	4073	5303	5932	6651
Net operating surplus	11015	13793	12525	12878	13645
<b>Gross domestic product at factor cost</b>	<b>25192</b>	<b>29878</b>	<b>30879</b>	<b>32713</b>	<b>34773</b>
Taxes on production and imports	3158	3582	3104	3681	4056
Subsidies	-663	-552	-140	-213	-269
<b>Gross domestic product at market prices</b>	<b>27686</b>	<b>32908</b>	<b>33842</b>	<b>36181</b>	<b>38560</b>
Primary incomes					
- receivable from the rest of the world	1704	1803	2123	1483	1490
- payable to rest of the world	-1714	-1447	-391	-944	-1682
<b>Gross national income at market prices</b>	<b>27677</b>	<b>33264</b>	<b>35574</b>	<b>36181</b>	<b>38560</b>
Current transfers					
- receivable from the rest of the world	3297	3202	3670	4529	4548
- payable to rest of the world	-312	-308	-203	-225	-259
<b>Gross national disposable income</b>	<b>30661</b>	<b>36158</b>	<b>39041</b>	<b>41023</b>	<b>42658</b>
<b>Current prices - N\$ per capita</b>					
Gross domestic product at market prices	14853	17220	17293	18081	18874
Gross national income at market prices	14848	17406	18178	18351	18781
<b>Constant 1995 prices - N\$ millions</b>					
<b>Gross domestic product at market prices</b>	<b>15462</b>	<b>16494</b>	<b>17069</b>	<b>18193</b>	<b>18949</b>
- Annual percentage change	2.4	6.7	3.5	6.6	4.2
<b>Real gross national income</b>	<b>17541</b>	<b>19054</b>	<b>18943</b>	<b>19429</b>	<b>19960</b>
- Annual percentage change	5.6	8.6	-0.6	2.6	2.7
<b>Constant 1995 prices - N\$ per capita</b>					
<b>Gross domestic product at market prices</b>	<b>8295</b>	<b>8631</b>	<b>8722</b>	<b>9092</b>	<b>9295</b>
- Annual percentage change	2.3	4.1	1.1	4.2	2.0
<b>Real gross national income</b>	<b>9410</b>	<b>9970</b>	<b>9679</b>	<b>9710</b>	<b>9770</b>
- Annual percentage change	5.5	6.0	-2.9	0.3	0.6

Source: Central Bureau of Statistics

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

	2001	2002	2003	2004	2005
<b>Disposable income and saving</b>					
<b>Gross national disposable income</b>	<b>30661</b>	<b>36158</b>	<b>39041</b>	<b>41023</b>	<b>42658</b>
Consumption of fixed capital	3561	4073	5303	5932	6651
<b>Net national disposable income</b>	<b>27100</b>	<b>32085</b>	<b>33738</b>	<b>35091</b>	<b>36006</b>
All other sectors	19879	24102	25899	26066	26662
General government	7221	7983	7839	9025	9345
<b>Final consumption expenditure</b>	<b>23949</b>	<b>26981</b>	<b>27766</b>	<b>30131</b>	<b>31892</b>
Private	16094	18289	18797	20980	22524
General government	7856	8692	8969	9151	9368
<b>Saving, net</b>	<b>3151</b>	<b>5104</b>	<b>5973</b>	<b>4960</b>	<b>4115</b>
All other sectors	3785	5813	7102	5085	4138
General government	-634	-708	-1130	-125	-23
<b>Financing of capital formation</b>					
Saving, net	3151	5104	5973	4960	4115
Capital transfers receivable from abroad	45	431	512	501	509
Capital transfers payable to foreign countries	-2	-4	-3	-3	-3
<b>Total</b>	<b>3194</b>	<b>5532</b>	<b>6482</b>	<b>5458</b>	<b>4620</b>
<b>Capital formation</b>					
Gross fixed capital formation	6073	6964	9867	9365	10434
All other sectors	4969	5876	8764	7974	8793
General government	1104	1087	1103	1391	1641
Consumption of fixed capital	-3561	-4073	-5303	-5932	-6651
All other sectors	-2649	-3065	-4118	-4624	-5183
General government	-912	-1008	-1185	-1308	-1468
Changes in inventories	412	-468	220	175	544
Net lending (+) / Net borrowing(-)	270	3109	1697	1851	293
All other sectors	990	3733	2746	2040	576
General government	-720	-624	-1049	-189	-284
Discrepancy on GDP 1)	968	-77	2790	1256	2300
Net lending/borrowing in external transactions 2)	1237	3032	4487	3107	2593
<b>Total</b>	<b>3194</b>	<b>5532</b>	<b>6482</b>	<b>5458</b>	<b>4620</b>

Source: Central Bureau of Statistics

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

Industry	2001	2002	2003	2004	2005
Agriculture and forestry	1137	1687	1814	1873	2404
Commercial	711	1309	1353	1294	1718
Subsistence	425	378	461	579	686
Fishing & fish processing on board	1445	1608	1757	1547	1916
Mining and quarrying	3663	4565	2975	3489	3317
Diamond mining	2854	3427	2630	3048	2708
Other mining and quarrying	809	1138	345	441	609
<b>Primary industries</b>	<b>6244</b>	<b>7859</b>	<b>6546</b>	<b>6909</b>	<b>7637</b>
Manufacturing	2604	3305	3870	4001	4118
Meat processing	142	143	139	126	119
Fish processing on shore	494	703	876	753	466
Manufacture of other food products and beverages	1215	1515	1650	1690	1785
Other manufacturing	753	944	1205	1434	1749
Electricity and water	620	854	1003	1199	1345
Construction	789	725	1029	1118	1249
<b>Secondary industries</b>	<b>4013</b>	<b>4884</b>	<b>5901</b>	<b>6318</b>	<b>6712</b>
Wholesale and retail trade, repairs	3004	3428	3987	3985	4036
Hotels and restaurants	477	576	648	653	670
Transport, and communication	1533	2083	2382	2649	2838
Transport and storage	975	1289	1409	1497	1548
Post and telecommunications	558	794	973	1152	1290
Financial intermediation	964	1088	1249	1213	1475
Real estate and business services	2497	2832	3156	3542	3677
Owner-occupied dwellings	1317	1449	1593	1748	1819
Other real estate and business services	1180	1382	1563	1794	1858
Community, social and personal services	216	244	281	282	346
Producers of government services	5810	6553	6863	7142	7328
Other producers	487	558	606	647	678
<b>Tertiary industries</b>	<b>14989</b>	<b>17361</b>	<b>19172</b>	<b>20113</b>	<b>21049</b>
Less: Financial services indirectly measured	330	359	432	394	444
<b>All industries at basic prices</b>	<b>24916</b>	<b>29747</b>	<b>31187</b>	<b>32950</b>	<b>34954</b>
Taxes less subsidies on products	2771	3161	2655	3234	3606
<b>GDP at market prices</b>	<b>27686</b>	<b>32908</b>	<b>33842</b>	<b>36181</b>	<b>38560</b>

Source: Central Bureau of Statistics

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

Industry	2001	2002	2003	2004	2005
Agriculture and forestry	4.1	5.1	5.4	5.2	6.2
Commercial	2.6	4.0	4.0	3.6	4.5
Subsistence	1.5	1.1	1.4	1.6	1.8
Fishing	5.2	4.9	5.2	4.3	5.0
Mining and quarrying	13.2	13.9	8.8	9.6	8.6
Diamond mining	10.3	10.4	7.8	8.4	7.0
Other mining and quarrying	2.9	3.5	1.0	1.2	1.6
<b>Primary industries</b>	<b>22.6</b>	<b>23.9</b>	<b>19.3</b>	<b>19.1</b>	<b>19.8</b>
Manufacturing	9.4	10.0	11.4	11.1	10.7
Meat processing	0.5	0.4	0.4	0.3	0.3
Fish processing	1.8	2.1	2.6	2.1	1.2
Manufacture of other food products and beverages	4.4	4.6	4.9	4.7	4.6
Other manufacturing	2.7	2.9	3.6	4.0	4.5
Electricity and water	2.2	2.6	3.0	3.3	3.5
Construction	2.8	2.2	3.0	3.1	3.2
<b>Secondary industries</b>	<b>14.5</b>	<b>14.8</b>	<b>17.4</b>	<b>17.5</b>	<b>17.4</b>
Wholesale and retail trade, repairs	10.8	10.4	11.8	11.0	10.5
Hotels and restaurants	1.7	1.7	1.9	1.8	1.7
Transport, and communication	5.5	6.3	7.0	7.3	7.4
Transport and storage	3.5	3.9	4.2	4.1	4.0
Post and telecommunications	2.0	2.4	2.9	3.2	3.3
Financial intermediation	3.5	3.3	3.7	3.4	3.8
Real estate and business services	9.0	8.6	9.3	9.8	9.5
Owner-occupied dwellings	4.8	4.4	4.7	4.8	4.7
Other real estate and business services	4.3	4.2	4.6	5.0	4.8
Community, social and personal services	0.8	0.7	0.8	0.8	0.9
Producers of government services	21.0	19.9	20.3	19.7	19.0
Other producers	1.8	1.7	1.8	1.8	1.8
<b>Tertiary industries</b>	<b>54.1</b>	<b>52.8</b>	<b>56.6</b>	<b>55.6</b>	<b>55.6</b>
Less: Financial services indirectly measured	1.2	1.1	1.3	1.1	1.2
<b>All industries at basic prices</b>	<b>90.0</b>	<b>90.4</b>	<b>92.2</b>	<b>91.1</b>	<b>90.6</b>
Taxes less subsidies on products	10.0	9.6	7.8	8.9	9.4
<b>GDP at market prices</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Central Bureau of Statistics

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

Industry	2001	2002	2003	2004	2005
Agriculture and forestry	899	975	1010	1019	1128
Commercial	589	723	755	681	753
Subsistence	310	252	255	338	375
Fishing & fish processing on board	631	703	732	666	643
Mining and quarrying	1117	1296	1237	1688	1658
Diamond mining	803	942	909	1260	1208
Other mining and quarrying	314	355	328	428	450
<b>Primary industries</b>	<b>2647</b>	<b>2974</b>	<b>2979</b>	<b>3372</b>	<b>3430</b>
Manufacturing	1657	1816	1911	1968	1957
Meat processing	107	109	97	88	95
Fish processing on shore	204	183	277	269	256
Manufacture of other food products and beverages	808	875	872	885	935
Other manufacturing	538	648	665	726	671
Electricity and water	228	230	266	278	310
Construction	527	459	564	570	588
<b>Secondary industries</b>	<b>2412</b>	<b>2505</b>	<b>2741</b>	<b>2817</b>	<b>2855</b>
Wholesale and retail trade, repairs	1496	1607	1674	1801	1942
Hotels and restaurants	292	316	332	321	322
Transport, and communication	1196	1332	1372	1536	1671
Transport and storage	725	837	753	816	835
Post and telecommunications	471	494	619	720	836
Financial intermediation	498	514	564	646	788
Real estate and business services	1393	1494	1572	1683	1722
Owner-occupied dwellings	711	740	759	778	797
Other real estate and business services	682	754	813	906	925
Community, social and personal services	133	137	144	135	152
Producers of government services	3281	3408	3475	3663	3842
Other producers	298	307	310	318	326
<b>Tertiary industries</b>	<b>8586</b>	<b>9114</b>	<b>9444</b>	<b>10104</b>	<b>10765</b>
Less: Financial services indirectly measured	158	155	178	206	233
<b>All industries at basic prices</b>	<b>13488</b>	<b>14439</b>	<b>14986</b>	<b>16087</b>	<b>16815</b>
Taxes less subsidies on products	1974	2055	2083	2106	2134
<b>GDP at market prices</b>	<b>15462</b>	<b>16494</b>	<b>17069</b>	<b>18193</b>	<b>18949</b>

Source: Central Bureau of Statistics

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

Industry	2001	2002	2003	2004	2005
Agriculture and forestry	-14.9	8.5	3.6	0.9	10.7
Commercial	-9.2	22.7	4.5	-9.9	10.6
Subsistence	-24.0	-18.6	0.9	32.7	11.0
Fishing	-1.5	11.4	4.2	-9.1	-3.4
Mining and quarrying	-6.1	16.0	-4.6	36.5	-1.8
Diamond mining	-5.1	17.3	-3.5	38.6	-4.1
Other mining and quarrying	-8.5	12.9	-7.5	30.6	5.0
<b>Primary industries</b>	<b>-8.3</b>	<b>12.4</b>	<b>0.2</b>	<b>13.2</b>	<b>1.7</b>
Manufacturing	5.5	9.6	5.2	3.0	-0.6
Meat processing	6.4	2.1	-11.6	-8.6	7.0
Fish processing	-15.3	-10.1	51.1	-3.0	-4.7
Manufacture of other food products and beverages	4.4	8.3	-0.3	1.4	5.6
Other manufacturing	18.3	20.5	2.6	9.2	-7.6
Electricity and water	-23.8	1.1	15.6	4.4	11.3
Construction	53.1	-13.1	22.9	1.2	3.2
<b>Secondary industries</b>	<b>9.0</b>	<b>3.8</b>	<b>9.4</b>	<b>2.8</b>	<b>1.4</b>
Wholesale and retail trade, repairs	2.8	7.4	4.1	7.6	7.8
Hotels and restaurants	8.4	8.4	4.9	-3.2	0.3
Transport, and communication	13.9	11.4	3.1	11.9	8.7
Transport and storage	8.1	15.5	-10.0	8.4	2.2
Post and telecommunications	24.3	5.0	25.2	16.3	16.1
Financial intermediation	1.7	3.3	9.6	14.6	22.0
Real estate and business services	4.1	7.2	5.2	7.1	2.3
Owner-occupied dwellings	2.5	4.1	2.5	2.5	2.5
Other real estate and business services	5.8	10.5	7.9	11.3	2.1
Community, social and personal services	0.2	2.9	5.6	-6.5	12.4
Producers of government services	1.4	3.9	2.0	5.4	4.9
Other producers	2.2	2.8	1.2	2.5	2.5
<b>Tertiary industries</b>	<b>3.9</b>	<b>6.2</b>	<b>3.6</b>	<b>7.0</b>	<b>6.5</b>
Less: Financial services indirectly measured	4.5	-1.9	15.1	15.5	13.5
<b>All industries at basic prices</b>	<b>2.1</b>	<b>7.1</b>	<b>3.8</b>	<b>7.3</b>	<b>4.5</b>
Taxes less subsidies on products	4.5	4.1	1.4	1.1	1.4
<b>GDP at market prices</b>	<b>2.4</b>	<b>6.7</b>	<b>3.5</b>	<b>6.6</b>	<b>4.2</b>

Source: Central Bureau of Statistics

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

Expenditure category	2001	2002	2003	2004	2005
Final consumption expenditure	23949	26981	27766	30131	31892
Private	16094	18289	18797	20980	22524
General government	7856	8692	8969	9151	9368
Gross fixed capital formation	6073	6964	9867	9365	10434
Changes in inventories	412	-468	220	175	544
<b>Gross domestic expenditure</b>	<b>30434</b>	<b>33476</b>	<b>37853</b>	<b>39671</b>	<b>42870</b>
Exports of goods and services	12446	16320	17396	16757	18472
Imports of goods and services	14226	16966	18617	18992	20482
Discrepancy	-968	77	-2790	-1256	-2300
<b>Gross domestic product at market prices</b>	<b>27686</b>	<b>32908</b>	<b>33842</b>	<b>36181</b>	<b>38560</b>

Source: Central Bureau of Statistics

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

Expenditure category	2001	2002	2003	2004	2005
Final consumption expenditure	86.5	82.0	82.0	83.3	82.7
Private	58.1	55.6	55.5	58.0	58.4
General government	28.4	26.4	26.5	25.3	24.3
Gross fixed capital formation	21.9	21.2	29.2	25.9	27.1
Changes in inventories	1.5	-1.4	0.7	0.5	1.4
<b>Gross domestic expenditure</b>	<b>109.9</b>	<b>101.7</b>	<b>111.9</b>	<b>109.6</b>	<b>111.2</b>
Exports of goods and services	45.0	49.6	51.4	46.3	47.9
Imports of goods and services	51.4	51.6	55.0	52.5	53.1
Discrepancy	-3.5	0.2	-8.2	-3.5	-6.0
<b>Gross domestic product at market prices</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Central Bureau of Statistics



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

Expenditure category	2001	2002	2003	2004	2005
Final consumption expenditure	14429	14927	14245	15239	15871
Private	9827	10248	9564	10460	10914
General government	4601	4679	4680	4780	4957
Gross fixed capital formation	4295	4806	5967	5455	5869
Changes in inventories	213	-171	52	81	287
<b>Gross domestic expenditure</b>	<b>18936</b>	<b>19562</b>	<b>20264</b>	<b>20776</b>	<b>22027</b>
Exports of goods and services	6331	7216	8878	8514	8710
Imports of goods and services	9619	9945	10514	10555	10718
Discrepancy	-186	-338	-1559	-542	-1070
<b>Gross domestic product at market prices</b>	<b>15462</b>	<b>16494</b>	<b>17069</b>	<b>18193</b>	<b>18949</b>

Source: Central Bureau of Statistics

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

Expenditure category	2001	2002	2003	2004	2005
Final consumption expenditure	3.3	3.5	-4.6	7.0	4.1
Private	3.4	4.3	-6.7	9.4	4.3
General government	3.0	1.7	0.0	2.1	3.7
Gross fixed capital formation	27.1	11.9	24.2	-8.6	7.6
Changes in inventories	0.1	-2.5	1.4	0.2	1.1
<b>Gross domestic expenditure</b>	<b>7.9</b>	<b>3.3</b>	<b>3.6</b>	<b>2.5</b>	<b>6.0</b>
Exports of goods and services	-2.1	14.0	23.0	-4.1	2.3
Imports of goods and services	9.8	3.4	5.7	0.4	1.5
Discrepancy	-0.2	-1.0	-7.4	6.0	-2.9
<b>Gross domestic product at market prices</b>	<b>2.4</b>	<b>6.7</b>	<b>3.5</b>	<b>6.6</b>	<b>4.2</b>

Source: Central Bureau of Statistics

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

Industry	2001	2002	2003	2004	2005
Agriculture	299	326	392	414	434
Fishing	238	249	262	275	281
Mining and quarrying	958	874	3084	1919	2298
Manufacturing	464	1751	1629	1690	1707
Electricity and water	1217	285	796	709	309
Construction	176	205	258	280	286
Wholesale and retail trade; hotels, restaurants	307	281	250	326	344
Transport, and communication	606	1120	1029	1127	1452
Finance, real estate, business services	728	801	1077	1252	1683
Community, social and personal services	20	28	32	32	34
Producers of government services	1059	1042	1058	1340	1606
<b>Total</b>	<b>6073</b>	<b>6964</b>	<b>9867</b>	<b>9365</b>	<b>10434</b>
Percent of GDP	21.9	21.2	29.2	25.9	27.1

Source: Central Bureau of Statistics

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

Industry	2001	2002	2003	2004	2005
Agriculture	219	230	243	259	269
Fishing	172	187	164	174	176
Mining and quarrying	697	638	1971	1189	1409
Manufacturing	333	1212	979	998	969
Electricity and water	848	186	465	395	162
Construction	132	149	162	177	179
Wholesale and retail trade; hotels, restaurants	218	194	152	196	202
Transport, and communication	420	803	599	643	814
Finance, real estate, business services	509	526	624	696	873
Community, social and personal services	15	21	20	21	22
Producers of government services	731	660	588	707	795
<b>Total</b>	<b>4295</b>	<b>4806</b>	<b>5967</b>	<b>5455</b>	<b>5869</b>

Source: Central Bureau of Statistics

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

Type of asset	2001	2002	2003	2004	2005
Buildings	1639	2019	1908	2298	2801
Construction works	1600	1170	1994	2024	2100
Transport equipment	903	1789	2037	1972	2045
Machinery and other equipment	1682	1840	3665	2599	3011
Mineral exploration	249	146	264	472	477
<b>Total</b>	<b>6073</b>	<b>6964</b>	<b>9867</b>	<b>9365</b>	<b>10434</b>

Source: Central Bureau of Statistics

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

Type of asset	2001	2002	2003	2004	2005
Buildings	1143	1321	1079	1243	1410
Construction works	1054	705	1070	987	935
Transport equipment	614	1274	1185	1145	1176
Machinery and other equipment	1313	1409	2460	1771	2038
Mineral exploration	171	97	174	309	310
<b>Total</b>	<b>4295</b>	<b>4806</b>	<b>5967</b>	<b>5455</b>	<b>5869</b>

Source: Central Bureau of Statistics

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

Ownership	2001	2002	2003	2004	2005
Public	2417	2052	2383	2673	2945
Producers of government services	1059	1042	1058	1340	1606
Public corporations and enterprises	1358	1010	1325	1333	1339
Private	3656	4912	7484	6692	7489
<b>Total</b>	<b>6073</b>	<b>6964</b>	<b>9867</b>	<b>9365</b>	<b>10434</b>

Source: Central Bureau of Statistics

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

Ownership	2001	2002	2003	2004	2005
Public	1677	1378	1361	1461	1539
Producers of government services	731	660	588	707	795
Public corporations and enterprises	946	718	773	754	744
Private	2617	3428	4606	3994	4331
<b>Total</b>	<b>4295</b>	<b>4806</b>	<b>5967</b>	<b>5455</b>	<b>5869</b>

Source: Central Bureau of Statistics

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

Industry	2001	2002	2003	2004	2005
Agriculture	4626	5077	5811	5977	6190
Fishing	1163	1306	1736	1894	2068
Mining and quarrying	6399	6460	10023	11108	12663
Manufacturing	2981	4507	6275	7480	8803
Electricity and water	5167	5615	6808	7664	8319
Construction	729	757	889	905	912
Wholesale and retail trade; hotels, restaurants	2269	2429	2755	2849	3013
Transport, and communication	6677	7536	8864	9427	10211
Finance, real estate, business services	9866	10980	13371	14747	16951
Community, social and personal services	403	424	485	498	520
Producers of government services	28752	31130	35176	38135	41691
<b>Total</b>	<b>69033</b>	<b>76221</b>	<b>92193</b>	<b>100685</b>	<b>111340</b>

Source: Central Bureau of Statistics

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

Industry	2001	2002	2003	2004	2005
Agriculture	3163	3181	3198	3207	3205
Fishing	843	979	1086	1195	1301
Mining and quarrying	4361	4532	5937	6523	7301
Manufacturing	2108	3046	3679	4256	4730
Electricity and water	3465	3487	3763	3949	3893
Construction	544	545	555	563	557
Wholesale and retail trade; hotels, restaurants	1593	1617	1588	1588	1579
Transport, and communication	4500	4854	4942	5011	5173
Finance, real estate, business services	6883	7193	7579	8014	8600
Community, social and personal services	286	287	288	288	287
Producers of government services	19346	19349	19258	19249	19285
<b>Total</b>	<b>47093</b>	<b>49072</b>	<b>51873</b>	<b>53845</b>	<b>55910</b>

Source: Central Bureau of Statistics

Table 1.16 (a) National consumer price index (December 2001 = 100)

Food & non alcoholic beverages	Alcoholic beverages and tobacco	Clothing and footwear gas & other	Housing, water, electricity, & maintenance	Furnitures Household equipment	Health	Transport	Communication	Recreation & culture	Education	Hotels cafes & restaurants	Misc-goods & service	All items	All items Annual percentage change
<b>Weights</b> 29.63	3.26	5.13	20.59	5.61	1.51	14.79	0.9	2.5	7.36	1.62	7.11	100	
2003 121.6	110.9	108.8	114.6	110.7	108.8	117.7	104.4	109.0	118.6	114.1	104.7	115.4	7.3
2004 122.6	121.2	109.3	122.4	111.3	111.8	123.9	107.4	110.3	135.5	120.9	109.5	120.2	4.2
<b>2005</b>													
Jan 122.9	124.1	109.8	123.8	112.5	113.4	128.7	108.6	110.7	138.8	124.9	109.4	121.7	2.5
Feb 123.0	124.2	109.7	122.6	112.5	113.6	129.7	108.5	111.7	140.8	126.0	109.5	121.9	2.6
Mar 122.8	127.3	109.4	122.6	112.4	113.1	128.2	108.5	110.1	140.8	125.6	107.5	121.3	1.7
Apr 123.7	129.5	109.4	122.3	112.5	113.3	129.1	108.5	110.9	140.8	126.3	108.2	121.8	1.6
May 121.8	130.6	108.8	122.3	112.8	113.7	130.0	108.5	111.9	140.8	126.3	108.0	121.4	0.9
Jun 122.2	131.2	108.6	122.4	113.5	113.6	130.5	108.5	111.3	140.8	126.7	107.8	121.6	1.3
Jul 123.1	131.9	108.6	125.3	113.8	113.6	130.5	108.5	111.2	140.8	127.5	108.1	122.6	1.7
Aug 124.3	132.1	108.6	126.0	114.6	113.3	133.8	108.5	110.7	140.8	127.8	107.6	123.5	2.2
Sep 125.7	132.3	106.6	126.1	115.0	113.8	136.6	108.5	110.9	140.8	127.7	107.5	124.2	2.9
Oct 127.2	132.4	107.0	126.1	115.7	109.5	136.7	108.8	111.0	140.8	128.5	107.3	124.5	2.9
Nov 127.9	132.5	106.2	126.1	116.2	109.9	136.7	108.8	111.2	140.8	129.1	107.5	124.8	3.4
Dec 128.2	133.3	105.3	126.3	115.7	109.9	136.6	108.8	112.2	140.8	129.1	107.5	125.0	3.4
<b>Average</b> 124.4	130.1	108.2	124.3	113.9	112.6	132.3	108.5	111.1	140.6	127.1	108.0	122.9	2.3
<b>2006</b>													
Jan 128.7	133.8	104.7	126.4	115.4	110.0	137.6	108.8	112.2	149.9	130.5	109.7	126.1	3.6
Feb 128.3	134.3	104.2	126.5	115.6	109.6	137.9	109.0	111.8	149.9	131.4	114.2	126.4	3.7
Mar 129.5	137.5	103.5	126.5	115.7	109.7	138.0	109.0	112.8	149.9	131.7	114.3	126.9	4.6
Apr 129.7	138.8	103.9	126.5	115.9	110.2	138.8	109.0	112.9	149.9	132.1	114.6	127.2	4.4
May 130.6	139.2	104.5	126.6	115.8	110.1	138.9	109.0	113.1	149.9	132.9	114.6	127.5	5.1
Jun 131.3	139.6	104.1	126.7	116.1	110.0	141.0	109.1	113.4	149.9	133.9	113.6	128.0	5.3
Jul 131.2	140.4	103.6	129.3	116.1	110.0	142.5	109.1	114.3	149.9	134.6	115.4	128.9	5.1
Aug 132.4	141.7	105.9	129.9	116.5	110.1	147.5	109.1	114.5	149.9	134.9	115.7	130.2	5.4
Sep 134.2	142.6	106.7	130.2	118.5	110.1	147.8	109.1	114.9	149.9	135.9	116.1	131.0	5.5
Oct 136.1	142.7	106.2	130.2	118.6	110.5	149.2	109.3	115.4	149.9	136.7	116.2	131.7	5.8
Nov 138.6	143.0	106.2	130.3	118.7	110.6	149.2	109.8	115.6	149.9	136.7	116.8	132.4	6.1
Dec 139.5	143.2	106.6	130.5	119.2	110.9	147.2	109.8	115.8	149.9	137.3	116.9	132.5	6.1
<b>Average</b> 132.5	139.7	105.0	128.3	116.9	110.1	143.0	109.2	113.9	149.9	134.0	114.8	129.1	5.1
2007													
Jan 140.6	143.1	107.0	130.9	119.2	114.2	146.4	109.9	117.6	158.9	138.9	117.1	133.7	6.0

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

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

	Services			Goods		
	Index	Monthly inflation rate	Annual inflation rate	Index	Monthly inflation rate	Annual inflation rate
<b>2002</b>	<b>105.2</b>	<b>0.8</b>		<b>109.2</b>	<b>1.2</b>	
<b>2003</b>	<b>112.9</b>	<b>0.4</b>	<b>7.3</b>	<b>116.9</b>	<b>0.1</b>	<b>7.2</b>
<b>2004</b>	<b>119.8</b>	<b>0.5</b>	<b>6.1</b>	<b>120.6</b>	<b>0.3</b>	<b>3.1</b>
<b>2005</b>						
Jan	122.3	1.2	3.3	121.3	0.3	1.9
Feb	125.0	2.2	5.4	119.9	-1.1	0.7
Mar	121.7	-2.6	2.6	121.1	1.0	0.9
Apr	122.4	0.6	2.9	121.5	0.3	0.6
May	122.4	0.1	2.7	120.7	-0.6	-0.4
Jun	123.1	0.5	3.0	120.7	0.0	0.0
Jul	123.9	0.7	2.9	121.8	0.9	0.8
Aug	124.2	0.2	3.0	123.0	1.0	1.5
Sep	125.2	0.9	3.8	123.5	0.4	2.2
Oct	125.0	-0.2	3.5	124.2	0.6	2.3
Nov	124.9	-0.1	3.4	124.8	0.4	3.2
Dec	125.0	0.1	3.4	124.9	0.1	3.3
<b>Average</b>	<b>123.7</b>	<b>0.3</b>	<b>3.3</b>	<b>122.3</b>	<b>0.3</b>	<b>1.4</b>
<b>2006</b>						
Jan	126.6	1.3	3.5	125.8	0.7	3.7
Feb	127.5	0.7	2.0	125.7	-0.1	4.8
Mar	127.6	0.1	4.9	126.5	0.7	4.4
Apr	127.7	0.1	4.4	126.9	0.3	4.5
May	128.0	0.2	4.5	127.2	0.3	5.4
Jun	128.9	0.7	4.8	127.5	0.2	5.6
Jul	130.0	0.8	4.9	128.2	0.6	5.2
Aug	131.6	1.3	6.0	129.2	0.8	5.1
Sep	131.7	0.1	5.2	130.5	0.9	5.6
Oct	132.0	0.2	5.6	131.4	0.8	5.8
Nov	132.1	0.1	5.8	132.6	0.9	6.3
Dec	132.2	0.1	5.8	132.8	0.2	6.3
<b>Average</b>	<b>129.7</b>	<b>0.5</b>	<b>4.8</b>	<b>128.7</b>	<b>0.5</b>	<b>5.2</b>
<b>2007</b>						
Jan	133.9	1.3	5.7	133.5	0.5	6.1

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

Source: Central Bureau of Statistics





ECONOMIC DEVELOPMENTS

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

	2005												2006											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
<b>Liabilities</b>																								
Monetary base	1170.5	1222.8	1231.6	1176.0	1320.7	1339.6	1233.9	1312.5	1372.6	1262.9	1284.9	1270.0	1320.0	1329.0	1330.2	1378.9	1398.9	1459.0	1445.3	1492.1	1532.4			
Currency in circulation	905.0	917.5	906.4	916.2	1009.2	954.5	975.6	1029.9	1026.8	963.3	927.4	922.8	951.1	982.2	976.4	1009.4	1067.1	1041.3	1072.1	1121.0	1151.4			
<b>Liabilities to other</b>																								
depository corporations	265.5	305.3	325.2	259.8	311.5	385.1	258.3	282.6	345.7	299.6	321.3	347.2	368.9	346.8	353.7	369.4	331.8	417.6	373.2	371.2	381.0			
Reserve deposits	265.5	305.3	325.2	259.8	311.5	385.1	258.3	282.6	345.7	299.6	321.3	347.2	368.9	346.8	353.7	369.4	331.8	417.6	373.2	371.2	381.0			
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			
<b>Deposits incl in broad money</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>36.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>			
Transferable deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	36.2	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			
<b>Securities other than shares, included in broad money</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>			
<b>Deposits excl from broad money of which: Other financial corps</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>			
<b>Securities other than shares, excluded from broad money of which: Other financial corps</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>			
<b>Loans</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>			
of which: Other financial corps	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
<b>Financial derivatives</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>			
of which: Other financial corps	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
<b>Trade credit and advances</b>	<b>10.4</b>	<b>12.5</b>	<b>4.1</b>	<b>4.2</b>	<b>5.4</b>	<b>2.9</b>	<b>4.4</b>	<b>3.9</b>	<b>3.2</b>	<b>4.0</b>	<b>4.3</b>	<b>2.1</b>	<b>3.2</b>	<b>3.3</b>	<b>2.8</b>	<b>1.9</b>	<b>4.2</b>	<b>4.0</b>	<b>4.4</b>	<b>3.9</b>	<b>4.9</b>			
of which: Other financial corps	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
<b>Shares and other equity</b>	<b>638.8</b>	<b>716.1</b>	<b>708.2</b>	<b>710.8</b>	<b>701.1</b>	<b>691.3</b>	<b>733.4</b>	<b>690.9</b>	<b>667.1</b>	<b>661.2</b>	<b>666.1</b>	<b>676.0</b>	<b>719.9</b>	<b>889.8</b>	<b>979.2</b>	<b>947.5</b>	<b>1013.4</b>	<b>1153.5</b>	<b>1121.6</b>	<b>1039.9</b>	<b>997.9</b>			
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	53.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
General and special reserves	250.0	235.0	235.0	235.0	235.0	235.0	235.0	235.0	228.0	228.0	281.6	261.6	261.6	246.6	246.6	246.6	246.6	246.6	246.6	246.6	246.6			
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	344.0	408.1	395.2	389.9	374.5	359.4	400.8	361.0	345.9	327.5	324.4	345.7	379.1	553.4	633.7	589.0	643.8	772.7	727.6	634.4	586.6			
Current year result	4.9	33.1	38.0	45.9	51.7	56.9	57.6	54.9	53.2	12.1	20.0	28.7	39.2	49.8	59.0	72.0	83.0	94.2	107.4	119.0	124.7			
<b>Other items (net)</b>	<b>-154.3</b>	<b>-154.9</b>	<b>-154.7</b>	<b>-153.6</b>	<b>-153.8</b>	<b>-151.6</b>	<b>-152.1</b>	<b>-150.1</b>	<b>-138.4</b>	<b>-138.3</b>	<b>-89.0</b>	<b>-138.3</b>	<b>-139.6</b>	<b>-136.2</b>	<b>-135.8</b>	<b>-136.2</b>	<b>-145.5</b>	<b>-149.6</b>	<b>-149.7</b>	<b>-150.8</b>	<b>-115.4</b>			
Other liabilities	16.3	15.2	15.0	15.2	15.2	15.2	15.2	15.1	18.9	18.8	18.5	18.4	18.5	18.4	18.5	18.3	18.4	18.3	18.3	18.4	24.3			
less: Other assets	-170.6	-170.1	-169.8	-168.9	-169.0	-166.8	-167.3	-165.3	-157.3	-157.2	-107.5	-156.8	-156.1	-154.7	-154.2	-154.5	-163.9	-167.9	-168.0	-169.2	-139.7			

ECONOMIC DEVELOPMENTS

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

	2006																					
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
<b>Assets</b>																						
Net foreign assets	-1206.7	-1834.0	-1779.3	-1611.9	-1668.4	-1894.6	-1545.0	-1564.3	-2140.3	-1814.1	-2277.6	-1734.5	-1295.0	-1272.4	-1218.9	-1017.2	-767.8	825.0	1341.4	1130.5	1680.2	
Claims on nonresidents	439.4	435.0	466.3	400.0	448.2	292.3	325.4	289.0	285.6	297.7	261.5	914.6	1390.8	890.7	1029.3	1188.2	1061.1	1795.4	2427.2	2173.9	2742.2	
Foreign currency	30.9	71.0	46.8	44.8	65.7	41.6	51.1	49.1	58.4	51.6	40.4	65.4	46.6	64.5	59.0	64.2	48.9	52.0	56.8	56.9	52.4	
Deposits	330.6	319.1	340.4	306.0	301.4	209.0	197.2	185.3	171.9	187.0	167.3	798.0	1299.7	782.2	924.7	1077.3	970.0	1700.0	2330.5	2075.8	2643.6	
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	77.9	44.9	79.1	49.2	81.1	41.7	77.1	54.6	55.3	59.1	53.8	51.2	44.5	44.0	45.6	46.7	42.2	43.4	39.9	41.2	46.2	
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>less: Liabilities to nonresidents</b>	-1646.1	-2269.0	-2245.6	-2011.9	-2116.6	-2176.9	-1870.4	-1853.3	-2425.9	-2111.8	-2539.1	-2649.1	-2685.9	-2163.1	-2248.3	-2205.4	-1828.9	-970.4	-1085.8	-1043.4	-1062.0	
Deposits	-1271.1	-1552.9	-1574.5	-1519.3	-1325.3	-1339.5	-1083.8	-1070.0	-1152.5	-1212.4	-1168.8	-1594.7	-1986.5	-1631.5	-1846.9	-1300.6	-1129.5	-588.0	-70.1	-515.0	-394.5	
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	-100.7	-101.4	-102.1	-100.7	-227.5	-164.6	-165.0	-165.4	-456.2	
Loans	-374.9	-716.0	-671.1	-492.6	-791.2	-837.4	-786.6	-783.3	-1273.4	-899.4	-1370.3	-1054.3	-598.7	-430.3	-299.2	-744.1	-471.9	-217.9	-217.7	-363.0	-221.4	
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Claims on central bank</b>	456.5	521.2	557.8	514.7	655.1	479.2	538.7	595.4	672.4	596.2	584.2	588.0	480.5	644.2	587.1	632.8	816.9	671.9	666.2	649.0	747.0	
Currency	208.5	240.6	250.1	204.6	326.0	256.7	307.1	323.8	346.8	316.4	264.4	241.8	236.4	303.4	249.7	282.0	299.7	255.7	300.2	281.3	388.1	
Reserve deposits	208.1	214.4	218.1	220.6	223.7	222.5	226.0	227.0	228.1	258.2	306.3	311.1	244.1	340.8	337.4	298.2	512.6	416.2	366.0	367.7	358.9	
Other claims	40.0	66.2	89.6	89.5	105.4	0.0	5.6	44.7	97.5	21.5	13.4	35.0	0.0	0.0	0.0	52.5	4.5	0.0	0.0	0.0	0.0	
<b>Net claims on Central Govt</b>	1392.4	1450.8	1730.1	1595.4	1611.3	1528.6	1507.1	1383.4	2013.8	2029.2	1746.9	1931.3	1742.8	1817.0	1958.6	1858.3	1631.0	1949.7	2051.0	2115.0	2206.6	
<b>Claims on Central Govt</b>	1876.1	1920.2	2203.0	2094.1	2113.7	2082.5	2079.7	2007.4	2586.1	2419.1	2155.8	2528.4	2426.7	2543.8	2661.9	2555.8	2563.6	2464.0	2578.7	2571.8	2767.3	
Securities other than Shares	1765.4	1841.3	2040.8	2013.9	2043.1	2079.4	2079.2	2006.4	2585.2	2415.7	2153.1	2527.5	2425.6	2542.0	2660.3	2553.6	2561.1	2462.4	2577.5	2558.6	2750.0	
Other claims	110.8	78.9	162.3	80.2	70.5	3.2	0.5	1.0	0.8	3.4	2.8	0.9	1.2	1.7	1.6	2.2	2.5	1.6	1.1	1.32	17.3	
<b>less: Liabilities to Central Govt</b>	-483.7	-469.4	-472.9	-498.7	-502.3	-553.9	-572.6	-624.0	-572.2	-389.9	-408.9	-597.1	-683.9	-726.8	-703.3	-697.4	-932.6	-514.3	-527.6	-456.8	-560.7	
Deposits	-444.0	-429.7	-433.2	-458.9	-462.6	-514.2	-532.9	-584.2	-532.5	-350.2	-369.1	-543.5	-630.2	-673.1	-649.5	-643.7	-878.9	-463.2	-463.5	-392.6	-496.3	
Other liabilities	-39.8	-39.8	-39.8	-39.8	-39.8	-39.8	-39.8	-39.8	-39.8	-39.8	-39.8	-53.7	-53.7	-53.7	-53.7	-53.8	-53.8	-51.1	-64.1	-64.2	-64.4	
<b>Claims on other sectors</b>	21634.7	22049.5	22099.3	22556.9	22837.4	23076.2	23315.9	23768.2	24251.0	24322.0	25031.7	25441.7	25972.5	26638.4	27037.8	27541.4	27767.7	27420.0	28175.7	28313.0	28268.4	
Other financial corporations	59.6	58.4	59.3	60.8	60.0	21.4	23.2	22.1	30.1	26.7	31.2	285.2	327.5	562.7	831.0	625.3	780.4	731.9	759.8	852.8	619.4	
State and local government	16.0	8.0	8.2	8.0	8.1	13.1	21.7	21.9	22.4	28.3	32.1	28.7	29.5	31.9	25.0	20.8	23.5	31.3	37.6	40.0	48.2	
Public nonfinancial corps	361.2	362.6	367.2	370.7	237.7	238.5	243.1	300.1	289.5	288.0	285.4	393.2	394.4	415.6	404.9	403.0	395.2	204.0	198.4	168.1	180.0	
Other nonfinancial corps	7893.9	8138.1	8181.7	8162.2	7821.2	8081.5	8213.0	8325.4	8478.8	8479.0	8964.2	8636.3	8889.5	9099.5	9033.6	9385.1	9356.7	9264.8	9499.8	9340.2	9373.7	
Other resident sectors	13304.1	13482.4	13483.0	13955.2	14710.4	14721.6	14814.8	15098.8	15430.2	15499.9	15718.7	16098.3	16331.7	16528.8	16743.3	17107.2	17211.9	17509.9	17680.1	17911.9	18047.1	
Unclassified shares and other equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

ECONOMIC DEVELOPMENTS

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

	2006												
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
<b>Liabilities</b>													
Liabilities to central bank	331.7	382.5	458.3	354.3	379.2	512.0	121.0	123.9	408.8	323.2	169.4	157.6	393.8
Deposits included in broad money	16302.7	16245.3	16534.1	16862.0	16771.0	16384.9	16653.4	16761.5	16690.2	17149.5	17523.0	18060.7	18298.4
Transferable deposits	8738.8	9092.7	9068.4	9368.4	9357.5	8961.4	9063.7	8882.0	8728.8	9213.5	9657.4	10751.9	10618.4
Other financial corporations	1389.1	1379.7	1631.1	1685.3	1654.3	1655.8	1791.9	1583.4	1558.9	1647.5	1702.5	2294.6	1717.6
State and local government	154.5	183.6	160.5	159.9	160.9	169.7	158.6	153.4	165.0	189.8	162.0	168.8	192.2
Public nonfinancial corporations	472.1	331.2	296.9	329.0	449.3	230.7	239.1	200.1	213.9	409.0	456.4	649.0	677.7
Other nonfinancial corporations	4853.8	5117.0	4957.6	5152.6	4937.4	4878.4	4866.1	4957.8	4881.7	4984.0	5214.8	5422.5	5708.9
Other resident sectors	1869.4	2081.1	2022.4	2045.7	2155.6	2026.7	2008.0	1987.3	1909.3	1983.1	2121.7	2217.0	2322.0
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
<b>Other deposits</b>	<b>7563.9</b>	<b>7152.7</b>	<b>7465.7</b>	<b>7493.6</b>	<b>7413.5</b>	<b>7423.5</b>	<b>7589.7</b>	<b>7879.5</b>	<b>7961.4</b>	<b>7936.0</b>	<b>7865.6</b>	<b>7308.9</b>	<b>7679.9</b>
Other financial corporations	322.4	226.9	223.9	179.6	155.5	189.3	184.3	212.8	212.2	218.8	135.4	317.1	409.4
State and local government	156.2	123.7	104.5	101.3	86.6	88.5	136.1	149.3	146.8	112.2	116.3	168.1	175.4
Public nonfinancial corporations	549.9	441.8	433.0	517.9	462.4	518.5	486.6	500.2	505.9	566.5	676.5	833.6	773.8
Other nonfinancial corporations	3165.9	3020.3	3206.1	3147.7	3121.4	3146.5	3202.9	3322.3	3396.2	3361.4	3198.9	2933.7	3133.2
Other resident sectors	3369.5	3340.0	3498.2	3547.1	3587.5	3480.7	3569.7	3694.9	3700.2	3677.1	3738.5	3056.4	3188.2
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
<b>Securities other than shares, included in broad money</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>11.5</b>	<b>11.5</b>
Deposits excl From broad money	-587.4	-562.3	-452.6	-483.0	-263.3	313.0	-233.8	-216.0	-441.4	-234.6	-87.6	414.6	182.9
<b>Securities other than shares, excluded from broad money</b>	<b>86.2</b>	<b>408.6</b>	<b>379.8</b>	<b>437.4</b>	<b>420.5</b>	<b>430.3</b>	<b>327.4</b>	<b>344.9</b>	<b>408.4</b>	<b>389.3</b>	<b>377.3</b>	<b>3913.8</b>	<b>4246.7</b>
Of which: Other financial corps	20.1	20.1	20.1	20.1	20.1	20.1	20.1	20.1	20.1	20.1	20.1	3399.7	4115.7
<b>Loans</b>	<b>2370.0</b>	<b>2105.0</b>	<b>2044.4</b>	<b>2056.6</b>	<b>2252.0</b>	<b>2452.1</b>	<b>2648.8</b>	<b>2658.9</b>	<b>2819.1</b>	<b>2866.2</b>	<b>2696.4</b>	<b>5.2</b>	<b>5.6</b>
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
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
<b>Shares and other equity</b>	<b>3965.7</b>	<b>4059.9</b>	<b>3862.4</b>	<b>3919.4</b>	<b>3972.6</b>	<b>4092.3</b>	<b>4148.2</b>	<b>4225.6</b>	<b>4174.4</b>	<b>4203.0</b>	<b>4277.0</b>	<b>4164.7</b>	<b>4254.7</b>
Funds contributed by owners	278.5	278.5	278.5	278.5	278.5	278.5	278.5	278.5	278.5	278.5	278.5	278.5	278.5
Retained earnings	284.6	381.1	177.1	151.8	161.9	238.7	276.6	304.9	239.2	143.5	162.8	1227.0	1232.7
General and special reserves	3402.6	3400.3	3406.8	3478.1	3496.9	3540.4	3546.4	3584.2	3584.9	3696.5	3741.3	2512.6	2538.2
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
Current year result	0.0	0.0	0.0	11.0	23.5	34.8	46.7	58.1	71.8	84.6	94.3	146.7	205.3
<b>Other items (net)</b>	<b>-191.9</b>	<b>-451.4</b>	<b>-218.6</b>	<b>-91.6</b>	<b>-84.8</b>	<b>-771.1</b>	<b>151.6</b>	<b>284.0</b>	<b>737.7</b>	<b>427.2</b>	<b>129.7</b>	<b>-501.7</b>	<b>-492.7</b>
Other liabilities	1752.3	1713.8	1785.7	1409.5	1654.0	1531.6	1474.8	1541.9	1400.4	1369.7	1365.4	1347.1	1322.0
less: Other assets	-1878.2	-2052.5	-2041.2	-1674.0	-1642.5	-1907.3	-1852.2	-1939.7	-1781.0	-1803.2	-2114.0	-1839.9	-1815.9
plus: Consolidation adjustment	-66.0	-112.7	36.9	172.9	-96.2	-395.4	529.0	681.8	1118.3	860.7	878.3	-8.9	1.3

ECONOMIC DEVELOPMENTS

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

	2006																				
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Net foreign assets</b>	2222.8	1359.2	679.1	1509.1	1062.6	708.3	1188.3	858.1	427.0	1563.3	833.4	723.3	1834.6	1700.7	1459.0	2295.9	1993.0	3944.3	5445.8	4625.8	4844.5
Claims on nonresidents	3893.2	3631.5	3082.2	3543.7	3170.0	2876.4	3097.4	2752.1	3039.7	3674.0	3371.0	3384.6	4532.8	3877.3	3717.6	4511.2	4191.8	5312.4	6922.4	6051.6	6315.8
less: Liabilities to nonresidents	-1670.4	-2272.3	-2383.1	-2034.6	-2107.4	-2168.1	-1909.1	-1894.0	-2612.7	-2110.7	-2537.6	-2661.3	-4698.2	-2176.6	-2258.6	-2215.3	-2198.8	-1368.2	-1476.6	-1425.8	-1471.3
<b>Domestic claims</b>	22678.1	23475.7	23995.1	23946.2	24500.4	24953.3	24760.9	25413.2	27114.0	25599.4	26330.1	26543.4	25816.3	26945.7	27661.4	27185.6	27881.6	27940.1	27512.2	28337.1	28397.5
<b>Net claims on central government</b>	718.9	1120.4	1666.7	1171.2	1375.0	1594.6	1161.7	1401.1	1673.3	931.1	900.5	1088.2	-169.3	293.7	610.4	-369.4	100.0	183.6	-678.6	8.4	113.3
Claims on central government	2001.2	2107.0	2506.3	2471.6	2372.9	2379.4	2419.2	2346.9	2881.1	2714.1	2464.0	2528.4	2426.7	2543.8	2661.9	2555.8	2563.6	2464.0	2578.7	2571.8	2767.3
less: Liabilities to central government	-1282.3	-986.6	-839.6	-1300.4	-998.0	-784.8	-1257.5	-945.8	-1207.8	-1783.0	-1563.5	-1440.3	-2596.0	-2250.1	-2051.4	-2925.1	-2463.6	-2280.4	-3257.3	-2563.4	-2654.0
<b>Claims on other sectors</b>	21959.2	22355.3	22328.4	22775.0	23125.4	23358.8	23599.2	24012.0	25440.7	24668.4	25429.7	25455.2	25985.6	26652.0	27051.4	27555.0	27781.6	27756.5	28190.8	28328.7	28284.2
Other financial corporations	95.4	55.7	100.4	63.0	283.1	150.3	103.3	27.3	117.8	146.2	197.7	285.2	327.5	562.7	831.0	625.3	780.4	731.9	759.8	852.8	619.4
State and local government	16.0	8.0	8.2	8.0	8.1	13.1	21.7	21.9	22.4	28.3	32.1	28.7	29.5	31.9	25.0	20.8	23.5	31.3	37.6	40.0	48.2
Public nonfinancial corporations	482.8	501.9	408.9	443.5	342.7	349.3	332.9	412.2	388.0	387.5	387.3	393.2	394.4	415.6	404.9	403.0	395.2	204.0	198.4	168.1	180.0
Other nonfinancial corporations	7949.8	8195.7	8013.6	8212.8	7871.9	8048.9	8252.4	8376.5	8531.7	8532.5	8947.3	8636.3	8889.5	9099.5	9033.6	9385.1	9356.7	9284.8	9499.8	9340.2	9373.7
Other resident sectors	13415.2	13594.1	13797.3	14047.7	14619.6	14797.2	14889.0	15174.2	16380.7	15573.9	15865.3	16111.9	16344.7	16542.3	16757.0	17120.8	17225.9	17524.4	17695.2	17927.7	18062.9
<b>Unclassified shares and other equity</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Broad money liabilities</b>	17125.3	16714.8	16796.2	17260.5	17014.5	16790.9	17016.0	16939.7	16912.8	17060.8	17477.2	18754.2	19132.8	19717.0	20548.8	20973.0	20629.4	21511.9	22238.1	22617.5	22540.2
<b>Currency outside depository corps</b>	696.5	676.9	653.9	709.2	683.2	697.8	668.5	706.1	680.0	646.9	663.0	681.0	714.6	678.8	726.7	727.4	767.4	785.6	772.0	839.7	763.4
<b>Transferable deposits</b>	8923.1	9256.2	9098.1	9531.6	9424.2	9160.8	9176.6	8869.4	8952.8	9322.9	9802.5	10752.9	10726.7	11228.7	11366.5	11743.4	11544.1	12065.2	13562.1	13412.7	12937.7
Other financial corporations	1405.4	1378.2	1494.0	1684.6	1654.3	1655.8	1791.9	1583.4	1589.4	1647.5	1702.0	2294.6	1717.6	1817.0	2229.7	1714.2	1567.8	1461.0	1832.8	1934.3	1672.4
State and local government	154.5	183.6	160.5	156.9	160.9	169.7	158.6	153.4	165.0	189.8	162.0	168.8	192.2	178.2	193.7	200.4	223.2	215.3	225.0	191.2	189.1
Public nonfinancial corporations	585.1	446.3	413.5	443.9	562.1	344.0	353.6	200.1	456.7	530.3	546.3	649.0	677.7	696.6	733.0	593.7	561.0	781.9	964.3	1007.6	913.5
Other nonfinancial corporations	4908.5	5166.7	5007.7	5200.3	4926.0	4949.3	4864.3	4945.1	4870.1	4972.1	5233.1	5422.5	5708.9	6313.6	6034.2	6774.2	6703.1	6696.2	7635.4	7303.9	7027.7
Other resident sectors	1899.6	2081.3	2022.4	2046.0	2155.9	2026.9	2008.2	1987.4	1902.2	1983.1	2158.0	2217.0	2322.0	2223.2	2159.7	2446.3	2476.2	2909.4	2904.7	2975.7	3113.0
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
Less: Central bank float	0.0	0.0	0.0	0.0	-35.0	15.0	0.0	0.0	0.0	0.1	0.1	1.0	108.3	0.0	16.3	16.2	12.7	1.4	-0.1	0.1	22.1
<b>Other deposits</b>	7168.7	6705.3	6982.5	6982.2	6671.6	6897.1	7135.9	7333.1	7217.3	7079.5	7006.6	7308.9	7679.9	7800.1	8446.0	8494.2	8312.2	8655.2	7898.1	8359.3	8833.3
Other financial corporations	344.6	250.8	303.2	268.6	240.7	293.4	289.9	325.0	317.7	332.5	264.3	317.1	409.4	394.4	391.9	472.5	724.1	334.2	344.8	297.9	367.1
State and local government	203.2	178.8	166.2	163.4	155.9	159.7	219.1	219.7	217.3	177.2	190.8	188.1	175.4	183.6	177.7	147.7	160.3	141.6	160.8	166.0	198.8
Public nonfinancial corporations	744.6	696.8	653.6	759.8	681.1	619.3	628.7	739.6	630.4	690.3	848.2	833.6	773.8	768.2	687.7	867.4	880.9	398.4	274.1	248.6	564.3
Other nonfinancial corporations	2888.7	2894.5	2872.9	2822.1	2790.4	2817.3	2938.3	2921.1	2946.9	2842.2	2684.9	2933.7	3133.2	3229.8	3700.8	3675.2	3161.3	4314.4	3765.0	4088.7	4119.4
Other resident sectors	2987.6	2884.5	2986.6	2968.2	3003.5	3007.3	3059.9	3127.7	3104.9	3025.7	3029.0	3056.4	3188.2	3212.2	3475.7	3319.2	3373.3	3443.2	3334.4	3543.6	3571.9
Unclassified	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.6	3.3	0.0	0.0	11.8	12.3	12.3	23.6	19.0	14.6	11.7	
<b>Securities other than shares, included in broad money</b>	337.0	76.3	61.8	37.5	35.6	35.1	35.0	31.1	62.7	11.6	11.7	11.5	11.5	9.5	9.5	8.0	5.8	5.8	5.9	5.9	5.9
<b>Deposits excl from broad money</b>	236.8	208.8	252.7	291.3	232.3	569.0	201.5	243.6	615.7	342.1	300.8	414.6	182.9	206.2	267.5	441.6	382.2	767.8	1069.0	854.1	1090.9
<b>Securities other than shares, excluded from broad money</b>	2308.1	2752.3	2657.2	2714.4	2898.7	3108.4	3270.8	3504.5	3778.3	3937.8	3750.0	3913.8	4246.7	4181.9	3967.9	3864.9	3905.5	4018.8	4080.4	4108.6	4076.9
Loans	328.7	5.8	5.8	5.8	5.8	5.5	5.5	5.5	0.0	5.5	5.5	5.2	5.6	5.2	5.6	5.6	5.7	5.6	2.2	5.3	5.3
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	10.4	12.5	4.1	4.2	5.4	2.9	4.4	3.9	3.2	4.0	4.3	2.1	3.2	3.3	2.8	1.9	4.2	4.0	88.5	3.9	4.9
<b>Shares and other equity</b>	4498.5	4905.6	4765.7	4822.6	4688.3	4824.2	4937.5	4949.8	5113.6	4893.1	5004.7	4840.8	4974.5	5210.1	5279.9	5261.1	5303.3	5418.4	5465.7	5408.6	5353.2
<b>Other items (net)</b>	393.2	235.1	182.5	356.6	718.2	360.8	513.6	624.4	1117.4	899.8	619.5	-664.0	-894.8	-677.3	-951.7	-1066.6	-355.6	157.8	14.1	-35.2	170.6
Other liabilities (incl central bank float)	1502.1	1722.1	1463.3	1355.1	1651.4	1482.5	1598.1	1689.2	1577.0	1491.3	1497.9	1364.5	1232.1	1409.5	1518.5	1500.3	1688.6	1844.5	1715.3	2143.4	1988.9
less: Other assets	-1800.2	-2224.8	-1938.3	-1903.1	-1800.7	-2048.1	-2008.5	-2104.2	-1963.1	-1960.1	-2233.7	-1996.7	-1974.0	-1747.6	-2052.4	-2287.4	-1918.4	-1819.0	-1821.9	-2366.3	-2030.6
plus: Consolidation adjustment	691.3	737.8	657.4	904.6	867.5	926.4	924.0	1059.4	1503.5	1368.7	1355.3	-31.9	-153.0	-339.1	-417.7	-279.5	-125.8	132.3	216.7	217.7	232.3
Memoranda: Central bank float	0.0	0.0	0.0	0.0	35.0	-15.0	0.0	0.0	0.0	-0.1	-0.1	-1.0	-108.3	-0.1	-16.3	-16.2	-12.7	-1.4	0.1	-0.1	-22.1





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

	2006																				
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Loans	19435.7	19511.9	19760.9	20207.3	19309.0	19666.6	19384.9	19519.7	19886.4	19673.2	19970.2	20895.8	21831.0	22137.2	23354.0	23884.6	23599.2	24042.4	25163.2	25166.9	25787.8
Deposits included in broad money	16091.7	15961.5	16080.6	16513.7	16330.8	16042.9	16312.5	16202.5	16170.1	16402.3	16766.3	18060.7	18298.4	19028.7	19796.2	20221.4	19843.5	20719.0	21460.4	21771.9	21748.8
Transferable deposits	8923.1	9256.2	9098.1	9531.6	9459.2	9145.8	9176.6	8869.4	8952.8	9322.8	9765.8	10751.9	10618.4	11228.6	11350.2	11727.2	11531.3	12063.8	13562.3	13412.6	12915.6
In national currency	8923.1	9256.2	9098.1	9531.6	9459.2	9145.8	9176.6	8869.4	8952.8	9322.8	9765.8	10751.9	10618.4	11228.6	11350.2	11727.2	11531.3	12063.8	13562.3	13412.6	12915.6
Other financial corporations	1405.4	1378.2	1494.0	1684.6	1654.3	1655.8	1791.9	1583.4	1558.9	1647.5	1702.5	2294.6	1717.6	1817.0	2229.7	1712.7	1567.8	1461.0	1832.8	1934.3	1672.4
State and local government	154.5	183.6	160.5	156.9	160.9	169.7	158.6	153.4	165.0	189.8	162.0	168.8	192.2	178.2	193.7	200.4	223.2	215.3	225.0	191.2	189.1
Public nonfinancial corporations	585.1	446.3	413.5	443.9	562.1	344.0	353.6	200.1	456.7	530.3	546.3	649.0	677.7	696.6	733.0	593.7	561.0	781.9	964.3	1007.6	913.5
Other nonfinancial corporations	4908.5	5166.7	5007.7	5200.3	4926.0	4949.3	4864.3	4945.1	4870.1	4972.1	5233.1	5422.5	5708.9	6313.6	6034.2	6774.2	6703.1	6666.2	7635.4	7303.9	7027.7
Other resident sectors	1869.6	2081.3	2022.4	2046.0	2155.9	2026.9	2008.1	1987.4	1902.2	1983.1	2121.8	2217.0	2322.0	2223.2	2159.7	2446.3	2476.2	2909.3	2904.7	2975.7	3113.0
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	7168.7	6705.3	6982.5	6982.2	6871.6	6897.1	7135.9	7333.1	7217.3	7079.5	7006.6	7308.9	7679.9	7800.1	8446.0	8494.2	8312.2	8655.2	7898.1	8359.3	8833.3
In national currency	7168.7	6705.3	6982.5	6982.2	6871.6	6897.1	7135.9	7333.1	7217.3	7079.5	7006.6	7308.9	7679.9	7800.1	8446.0	8494.2	8312.2	8655.2	7898.1	8359.3	8833.3
Other financial corporations	344.6	250.8	303.2	268.6	240.7	293.4	289.9	325.0	317.7	332.5	264.3	317.1	409.4	394.4	391.9	472.5	724.1	334.2	344.8	297.9	367.1
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	160.8	166.0	198.8
Public nonfinancial corporations	744.6	696.8	653.6	759.8	681.1	619.3	628.7	739.6	630.4	690.3	848.2	833.6	773.8	768.2	687.7	867.4	880.9	398.4	274.1	248.6	564.3
Other nonfinancial corporations	2888.7	2694.5	2872.9	2822.1	2790.4	2817.3	2938.3	2921.1	2946.9	2842.2	2664.9	2933.7	3133.2	3229.8	3700.8	3675.2	3161.3	4314.4	3765.0	4088.7	4119.4
Other resident sectors	2987.6	2884.5	2986.6	2968.2	3003.5	3007.3	3059.9	3127.7	3104.9	3025.7	3029.0	3056.4	3188.2	3212.2	3475.7	3319.2	3373.3	3443.2	3334.4	3543.6	3571.9
Unclassified	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.6	3.3	0.0	0.0	11.8	12.3	12.3	23.6	19.0	14.6	11.7	
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	11.6	3.3	0.0	0.0	11.8	12.3	12.3	23.6	19.0	14.6	11.7	
Deposits excluded from broad money	3343.9	3550.4	3680.4	3693.5	2978.3	3623.8	3072.4	3317.3	3716.3	3270.9	3203.9	2835.1	3532.6	3108.5	3557.8	3663.3	3755.7	3323.4	3702.8	3395.0	3830.0
Transferable deposits	1802.9	1622.6	1627.1	1807.4	1323.9	1977.4	1807.4	1844.6	2018.4	1645.6	1509.8	1436.3	1617.2	1469.6	1967.8	1946.2	2026.4	1827.7	1995.1	1820.9	1625.5
In national currency	1564.7	1408.9	1374.2	1510.7	1084.0	1397.3	1393.6	1588.6	1687.1	1294.9	1170.0	1014.2	1424.6	1257.3	1462.9	1495.9	1636.0	1337.3	1393.1	1159.1	1129.3
In foreign currency	238.2	213.7	252.9	296.7	239.9	580.0	213.8	256.0	331.4	350.7	339.8	422.0	192.6	212.4	504.9	450.2	390.4	490.4	602.0	661.8	496.2
Other deposits	1541.0	1927.8	2053.3	1886.1	1654.3	1646.4	1465.0	1472.7	1697.9	1625.4	1694.1	1398.8	1915.4	1638.9	1590.0	1717.1	1729.3	1495.6	1707.7	1574.1	2204.4
In national currency	929.2	1006.4	1027.1	1016.7	942.7	1020.4	982.3	960.1	1256.5	1160.5	1256.1	981.9	1508.2	1564.3	1478.1	1669.6	1679.1	1441.8	1494.4	1346.0	1837.6
In foreign currency	611.8	921.4	1026.2	869.4	711.6	626.0	482.7	512.6	441.4	464.9	437.9	416.9	407.2	74.6	111.8	47.5	50.2	53.8	213.3	228.1	366.8

Table II.6 Selected interest rates: Namibia and South Africa

	Prime lending		Average lending		Treasury bill rate (3 month)		Deposit rate		Bank rate	Repo rate	
	Namibia	RSA	Namibia	RSA	Namibia	RSA	Namibia	RSA	Namibia	RSA	
<b>2000</b>	<b>15.90</b>	<b>14.50</b>	<b>15.11</b>	<b>14.50</b>	<b>9.62</b>	<b>10.20</b>	<b>7.63</b>	<b>10.65</b>	<b>11.25</b>	<b>12.00</b>	
<b>2001</b>	<b>14.00</b>	<b>13.00</b>	<b>13.76</b>	<b>13.00</b>	<b>9.13</b>	<b>9.20</b>	<b>6.48</b>	<b>9.25</b>	<b>9.25</b>	<b>10.50</b>	
<b>2002</b>	<b>17.50</b>	<b>17.00</b>	<b>15.15</b>	<b>17.00</b>	<b>11.93</b>	<b>12.27</b>	<b>8.96</b>	<b>12.52</b>	<b>12.75</b>	<b>13.50</b>	
<b>2003</b>	<b>12.50</b>	<b>11.50</b>	<b>12.91</b>	<b>11.75</b>	<b>7.35</b>	<b>7.01</b>	<b>6.88</b>	<b>7.40</b>	<b>7.75</b>	<b>8.00</b>	
<b>2004</b>	Jan	12.50	11.50	11.54	11.50	7.90	7.56	6.48	8.05	7.75	8.00
	Feb	12.50	11.50	11.61	11.50	8.00	7.56	6.56	7.45	7.75	8.00
	Mar	12.50	11.50	11.49	11.50	8.20	7.76	6.38	7.48	7.75	8.00
	Apr	12.50	11.50	12.82	11.50	8.01	7.76	6.25	7.48	7.75	8.00
	May	12.50	11.50	11.40	11.50	7.98	7.76	6.38	7.48	7.75	8.00
	Jun	12.50	11.50	11.59	11.50	8.07	7.83	6.38	7.71	7.75	8.00
	Jul	12.50	11.50	11.38	11.50	8.02	7.89	6.48	7.62	7.50	8.00
	Aug	12.25	11.00	11.10	11.00	8.13	7.44	6.29	7.23	7.50	7.50
	Sep	12.25	11.00	11.16	11.00	7.66	7.12	6.20	6.84	7.50	7.50
	Oct	12.25	11.00	10.79	11.00	7.48	7.28	6.26	6.76	7.50	7.50
	Nov	12.25	11.00	10.06	11.00	7.55	7.25	6.20	6.71	7.50	7.50
	Dec	12.25	11.00	10.73	11.00	7.49	7.27	6.36	6.71	7.50	7.50
<b>2005</b>	Jan	12.25	11.00	10.68	11.00	7.67	7.29	6.18	6.72	7.50	7.50
	Feb	12.25	11.00	10.66	11.00	7.58	7.23	6.18	6.71	7.50	7.50
	Mar	12.25	11.00	10.56	11.00	7.58	7.20	6.53	6.77	7.50	7.50
	Apr	11.75	10.50	10.66	10.50	7.59	6.95	6.5	6.77	7.00	7.00
	May	11.75	10.50	10.58	10.50	6.8	6.75	6.31	6.48	7.00	7.00
	Jun	11.75	10.50	10.52	10.50	6.16	6.76	6.21	6.48	7.00	7.00
	Jul	11.75	10.50	10.52	10.50	7.11	6.73	6.13	6.48	7.00	7.00
	Aug	11.75	10.50	10.50	10.50	6.71	6.73	6.06	6.48	7.00	7.00
	Sep	11.75	10.50	10.77	10.50	6.75	6.74	6.13	6.66	7.00	7.00
	Oct	11.75	10.50	10.55	10.50	6.93	6.79	5.98	6.82	7.00	7.00
	Nov	11.75	10.50	10.54	10.50	6.93	6.89	6.02	7.06	7.00	7.00
	Dec	11.75	10.50	10.78	10.50	7.01	6.82	5.99	6.75	7.00	7.00
<b>2006</b>	Jan	11.75	10.50	10.46	10.50	7.03	6.74	6.09	6.59	7.00	7.00
	Feb	11.75	10.50	10.69	10.50	6.94	6.68	6.1	6.58	7.00	7.00
	Mar	11.75	10.50	10.78	10.50	6.67	6.53	6.11	6.62	7.00	7.00
	Apr	11.75	10.50	10.58	10.50	6.63	6.65	6.31	6.59	7.00	7.00
	May	11.75	10.50	10.80	10.50	6.5	6.80	6.13	6.75	7.00	7.00
	Jun	12.25	11.00	10.61	11.00	6.77	7.11	6.24	7.32	7.50	7.50
	Jul	12.25	11.00	10.93	11.00	7.23	7.28	6.18	7.46	7.50	7.50
	Aug	12.75	11.50	11.01	11.50	7.56	7.69	6.34	7.92	8.00	8.00
	Sep	12.75	11.50	11.71	11.50	7.57	7.75	6.22	8.08	8.00	8.00
	Oct	13.25	12.00	11.97	12.00	7.52	8.22	6.37	8.36	8.50	8.50
	Nov	13.25	12.00	12.2	12.00	7.95	8.23	6.64	8.57	8.50	8.50
	Dec	13.75	12.50	12.43	12.50	8.24	8.39	6.85	8.57	9.00	9.00

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

Date Issued	Date Due	Deposit Money Banks I	Other Banking Institutions II	Banking Sector I+II=III	Non - banking Financial Inst. A	Other Public Enterprises B	Private Sector C	TOTAL A+B+C+III	Amount Outstanding
<b>2006</b>									
Jan	04/06	25.0	0.0	25.0	0.8	0.0	0.0	25.8	5,112.8
Jan*	07/06	45.3	0.0	45.3	4.7	0.0	0.0	50.0	5,082.8
Jan**	01/06	40.0	0.0	40.0	0.0	0.0	0.0	40.0	5,072.8
Feb	05/06	48.2	0.0	48.2	0.0	0.0	1.8	50.0	5,062.8
Feb*	08/06	172.5	0.0	172.5	25.4	0.0	2.1	200.0	5,032.8
Feb**	02/06	89.8	0.0	89.8	10.3	0.0	0.0	100.0	4,982.8
Mar	06/06	130.1	0.0	130.1	20.0	0.0	0.0	150.0	4,932.8
Mar*	09/06	300.0	0.0	300.0	0.0	0.0	0.0	300.0	4,712.8
Mar*	09/06	59.6	0.0	59.6	40.4	0.0	0.0	100.0	4,812.8
Mar**	03/07	200.0	0.0	200.0	0.0	0.0	0.0	200.0	4,712.8
Mar**	03/07	30.0	0.0	30.0	0.0	0.0	0.0	30.0	4,742.8
April	07/06	26.5	0.0	26.5	3.5	0.0	0.0	30.0	4,747.0
Apr**	04/06	100.0	0.0	100.0	0.0	0.0	0.0	100.0	4,727.0
April**	04/06	100.0	0.0	100.0	0.0	0.0	0.0	100.0	4,675.0
May	08/06	50.0	0.0	50.0	0.0	0.0	0.0	50.0	4,675.0
May*	11/06	130.0	0.0	130.0	0.0	0.0	0.0	130.0	4,675.0
May**	05/06	225.0	0.0	225.0	23.0	0.0	2.0	250.0	4,655.0
May**	05/06	140.0	0.0	140.0	10.0	0.0	0.0	150.0	4,655.0
Jun	09/06	137.7	0.0	137.7	10.5	0.0	1.8	150.0	4,655.0
Jun*	12/06	111.4	0.0	111.4	8.6	0.0	0.0	120.0	4,655.0
Jun**	06/07	186.6	0.0	186.6	6.9	0.0	6.4	200.0	4,725.0
Jun**	06/07	123.3	0.0	123.3	6.7	0.0	0.0	130.0	4,655.0
Jul	10/06	40.9	0.0	40.9	9.1	0.0	0.0	50.0	4,675.0
Jul*	01/07	47.0	0.0	47.0	3.0	0.0	0.0	50.0	4,675.0
Jul**	07/07	192.3	0.0	192.3	7.7	0.0	0.0	200.0	4,625.0
Aug	11/06	96.3	0.0	96.3	3.7	0.0	0.0	100.0	4,675.0
Aug*	02/07	178.3	0.0	178.3	20.0	0.0	1.7	200.0	4,675.0
Aug**	08/07	150.0	0.0	150.0	0.0	0.0	0.0	150.0	4,625.0
Aug**	08/07	139.8	0.0	139.8	10.2	0.0	0.0	150.0	4,625.0
Sep	12/06	125.0	0.0	125.0	23.2	0.0	1.8	150.0	4,625.0
Sep*	03/07	100.0	0.0	100.0	0.0	0.0	0.0	100.0	4,425.0
Sep*	03/07	215.0	0.0	215.0	34.9	0.0	0.0	250.0	4,575.0
Sep**	09/07	105.7	0.0	105.7	44.2	0.0	0.0	150.0	4,525.0
Sep**	09/07	326.9	0.0	326.9	23.0	0.0	0.0	350.0	4,425.0
Oct	01/07	41.4	0.0	41.4	8.5	0.0	0.0	50.0	4,425.0
Oct**	10/07	45.0	0.0	45.0	5.0	0.0	0.0	50.0	4,375.0
Nov	02/07	77.0	0.0	77.0	23.0	0.0	0.0	100.0	4,375.0
Nov*	05/07	53.7	0.0	53.7	96.3	0.0	0.0	150.0	4,395.0
Nov**	11/07	269.5	0.0	269.5	30.5	0.0	0.0	300.0	4,195.0
Nov**	11/07	100.0	0.0	100.0	0.0	0.0	0.0	100.0	4,195.0
Dec	03/07	126.4	0.0	126.4	21.8	0.0	1.8	150.0	4,195.0
Dec*	06/07	196.0	0.0	196.0	4.0	0.0	0.0	200.0	4,275.0
Dec**	12/07	205.4	0.0	205.4	44.6	0.0	0.0	250.0	4,250.0
<b>2007</b>									
Jan	04/07	40.0	0.0	40.0	10.0	0.0	0.0	50.0	4,250.0
Jan*	07/07	50.0	0.0	50.0	0.0	0.0	0.0	50.0	4,250.0
Jan**	01/07	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4,210.0

91 days

\*182 days

\*\*365 days



**TABLE III. 2 Allotment of Government of Namibia Internal Registered Stock**  
**N\$ million**

Date issued	Date due	Coupon rate [%]	Banking			Non-banking			Total non-banking A+B+C=D	Total III+D	Amount outstanding
			Deposit money banks I	Other banking inst II	Total banking sector I+II=III	Non-bank financial institutions A	Other public enterprises B	Private sector C			
<b>2006</b>											
Jan	04/15	13.00	37.0	2.3	39.3	0.0	0.0	0.7	0.7	40.0	5767.0
Jan	10/24	10.50	0.0	0.0	0.0	40.0	0.0	0.0	40.0	40.0	5807.0
Feb*	10/12	10.50	26.3	13.7	40.0	0.0	0.0	0.0	0.0	40.0	5847.0
Feb*	10/24	10.50	32.0	7.3	39.3	0.7	0.0	0.0	0.7	40.0	5887.0
Mar	10/12	10.50	26.3	13.7	40.0	0.0	0.0	0.0	0.0	40.0	5927.0
Apr	04/15	13.00	40.0	0.0	40.0	0.0	0.0	0.0	0.0	40.0	5967.0
Apr	10/24	10.50	40.0	0.0	40.0	0.0	0.0	0.0	0.0	40.0	6007.0
May	10/12	10.50	40.0	0.0	40.0	0.0	0.0	0.0	0.0	40.0	6047.0
May	04/15	13.00	40.0	0.0	40.0	0.0	0.0	0.0	0.0	40.0	6087.0
Jun	10/12	10.50	40.0	0.0	40.0	0.0	0.0	0.0	0.0	40.0	6127.0
Jun	04/15	13.00	16.5	23.5	40.0	0.0	0.0	0.0	0.0	40.0	6167.0
Jun	10/24	10.50	32.0	0.0	32.0	0.0	0.0	8.0	8.0	40.0	6207.0
Jul	10/12	10.50	39.8	0.0	39.8	0.3	0.0	0.0	0.3	40.0	6247.0
Jul	04/15	13.00	40.0	0.0	40.0	0.0	0.0	0.0	0.0	40.0	6287.0
Jul	10/24	10.50	37.0	0.0	37.0	3.0	0.0	0.0	3.0	40.0	6327.0
Aug	10/12	10.50	38.4	0.0	38.4	1.6	0.0	0.0	1.6	40.0	6367.0
Aug	10/24	10.50	40.0	0.0	40.0	0.0	0.0	0.0	0.0	40.0	6407.0
Sep	10/12	10.50	31.5	0.0	31.5	3.0	0.0	0.0	3.0	34.5	6441.5
Sep	04/15	13.00	31.5	0.0	31.5	6.0	0.0	0.0	6.0	37.5	6478.8
Sep	10/24	10.50	59.0	0.0	59.0	0.0	0.0	0.0	0.0	59.0	6537.8
Oct	10/12	10.50	0.0	17.0	17.0	23.0	0.0	0.0	23.0	40.0	6577.8
Nov	10/12	10.50	27.1	0.0	27.1	12.8	0.0	0.0	12.8	40.0	6617.8
Nov	10/24	10.50	33.7	0.0	33.7	6.3	0.0	0.0	6.3	40.0	6657.8
Dec	10/12	10.50	40.0	0.0	40.0	0.0	0.0	0.0	0.0	40.0	6697.8
Dec	10/24	10.50	40.0	0.0	40.0	0.0	0.0	0.0	0.0	40.0	6737.8
<b>2007</b>											
Jan	10/24	10.50	35.0	0.0	35.0	5.0	0.0	0.0	0.0	40.0	6777.8
Jan	10/12	10.50	0.0	29.6	29.6	10.4	0.0	0.0	0.0	40.0	6817.8

\* Switch of GCO5 into GC07, GC10 & GC15

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

Revenue	Actual							Revised
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Taxes on income and profits	2315.0	2610.0	3285.6	4442.3	3618.5	4024.2	4575.7	4689.0
Taxes on property	47.0	63.0	64.1	79.3	75.2	85.9	110.1	122.0
Domestic taxes on goods and services	1944.0	1945.0	2107.4	2135.7	1950.8	2057.3	3272.4	3186.1
Taxes on international trade	2241.0	2877.0	2641.2	2596.9	3035.6	4206.8	3891.9	6471.4
Other taxes	51.0	55.0	67.6	75.6	82.8	94.1	113.4	123.0
<b>Total tax revenue</b>	<b>6598.0</b>	<b>7550.0</b>	<b>8166.0</b>	<b>9329.8</b>	<b>8762.9</b>	<b>10468.2</b>	<b>11963.5</b>	<b>14591.5</b>
Entrepreneurial and property income	402.7	461.9	463.4	703.2	488.8	490.0	542.9	1048.9
Fines and forfeitures	10.9	21.4	18.2	19.6	18.9	17.0	17.6	23.5
Administration fees and charges	171.6	231.8	254.0	382.3	449.3	342.1	512.4	407.1
Return on capital from lending and equity	20.1	20.9	21.4	15.9	13.5	36.8	32.4	66.0
<b>Total non-tax revenue</b>	<b>605.3</b>	<b>736.0</b>	<b>757.1</b>	<b>1121.1</b>	<b>970.5</b>	<b>885.8</b>	<b>1105.3</b>	<b>1545.5</b>
<b>Total revenue (own sources)</b>	<b>7203.3</b>	<b>8286.0</b>	<b>8923.0</b>	<b>10450.9</b>	<b>9733.4</b>	<b>11354.0</b>	<b>13068.8</b>	<b>16137.0</b>
<b>Grants</b>			<b>58.1</b>	<b>34.4</b>	<b>34.2</b>	<b>70.4</b>	<b>39.0</b>	<b>72.0</b>
<b>Loans earmarked for on-lending</b>	<b>68.5</b>	<b>56.9</b>	<b>116.8</b>	<b>76.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total revenue and grants</b>	<b>7271.8</b>	<b>8342.9</b>	<b>9097.9</b>	<b>10562.1</b>	<b>9767.6</b>	<b>11424.5</b>	<b>13107.8</b>	<b>16209.0</b>
<b>Expenditure</b>								
<b>Current Expenditure</b>								
Personnel expenditure	3618.7	3964.9	4325.5	4708.9	5117.0	5527.1	5888.3	6139.4
Expenditure on goods and other services	1583.3	1637.3	1977.3	1993.6	2079.4	1921.9	1922.4	2198.5
Statutory	512.9	512.0	602.7	907.6	996.0	1040.2	1186.3	1478.1
Subsidies and other current transfers	1168.8	1510.5	1769.2	1892.8	2255.9	2296.9	2544.7	2722.8
<b>Total current expenditure</b>	<b>6883.7</b>	<b>7624.7</b>	<b>8674.7</b>	<b>9503.0</b>	<b>10448.3</b>	<b>10786.0</b>	<b>11541.7</b>	<b>12538.8</b>
<b>Capital expenditure</b>								
Capital expenditure	918.0	929.0	1267.0	1158.7	1293.4	1401.1	1337.4	1848.2
Capital transfers	30.0	32.6	25.0	87.2	103.6	217.4	106.0	248.4
Total lending and equity participation	121.0	122.0	335.7	649.7	400.0	365.9	207.5	652.4
<b>Total capital expenditure</b>	<b>1069.0</b>	<b>1083.6</b>	<b>1627.7</b>	<b>1895.7</b>	<b>1797.0</b>	<b>1984.5</b>	<b>1650.9</b>	<b>2749.0</b>
<b>Total expenditure</b>	<b>7952.7</b>	<b>8708.3</b>	<b>10302.4</b>	<b>11398.7</b>	<b>12243.4</b>	<b>12770.5</b>	<b>13192.6</b>	<b>15287.8</b>
<b>Overall deficit (-) /surplus (+)</b>	<b>-680.9</b>	<b>-365.4</b>	<b>-1204.5</b>	<b>-836.6</b>	<b>-2475.8</b>	<b>-1346.0</b>	<b>-84.8</b>	<b>921.2</b>
<b>Total financing</b>								
Net borrowing	829.0	280.0	1206.5	699.3	1788.3	2441.5	36.2	1024.2
Decrease (+)/increase (-) in cash balances	-148.0	85.0	-2.0	137.3	689.3	-1095.5	48.7	-1945.5
<b>Total financing</b>	<b>681.2</b>	<b>365.1</b>	<b>1204.5</b>	<b>836.6</b>	<b>2477.6</b>	<b>1346.0</b>	<b>84.9</b>	<b>-921.3</b>

**Table IV.A BALANCE OF PAYMENTS AGGREGATES (a)**  
**N\$ million**

	2005(p)					2006(p)				
	Q1	Q2	Q3	Q4	2005	Q1	Q2	Q3	Q4	2006
<b>Merchandise trade balance</b>	<b>239</b>	<b>-355</b>	<b>-711</b>	<b>-861</b>	<b>-1,688</b>	<b>261</b>	<b>477</b>	<b>-266</b>	<b>179</b>	<b>651</b>
Exports fob	3,318	3,051	3,046	3,734	13,149	3,900	4,315	4,696	5,047	17,958
Imports fob (p)	-3,078	-3,406	-3,757	-4,596	-14,837	-3,639	-3,839	-4,962	-4,867	-17,307
<b>Services (net)</b>	<b>92</b>	<b>61</b>	<b>30</b>	<b>93</b>	<b>277</b>	<b>144</b>	<b>97</b>	<b>173</b>	<b>211</b>	<b>626</b>
Credit	709	713	553	641	2,615	735	772	1,009	1,067	3,582
Debit	-617	-652	-522	-547	-2,338	-590	-675	-835	-856	-2,957
<b>Compensation of employees (net)</b>	<b>-3</b>	<b>-4</b>	<b>-7</b>	<b>-10</b>	<b>-23</b>	<b>-6</b>	<b>-7</b>	<b>-19</b>	<b>-9</b>	<b>-40</b>
Credit	17	17	16	17	67	17	17	17	17	67
Debit	-20	-20	-23	-27	-90	-22	-23	-36	-25	-106
<b>Investment income (net)</b>	<b>-285</b>	<b>242</b>	<b>109</b>	<b>-146</b>	<b>-79</b>	<b>220</b>	<b>143</b>	<b>-432</b>	<b>191</b>	<b>122</b>
Credit	419	382	463	231	1,495	389	566	415	318	1,688
Debit	-704	-139	-353	-377	-1,574	-169	-423	-847	-126	-1,566
<b>Current transfers in cash and kind (net)</b>	<b>1,238</b>	<b>869</b>	<b>1,088</b>	<b>1,068</b>	<b>4,262</b>	<b>1,202</b>	<b>1,721</b>	<b>1,756</b>	<b>1,787</b>	<b>6,466</b>
Credit	1,290	937	1,160	1,160	4,548	1,276	1,799	1,832	1,864	6,771
Debit	-52	-68	-73	-93	-286	-75	-78	-76	-77	-306
<b>Current Account Balance</b>	<b>1,281</b>	<b>813</b>	<b>510</b>	<b>144</b>	<b>2,748</b>	<b>1,821</b>	<b>2,432</b>	<b>1,212</b>	<b>2,360</b>	<b>7,825</b>
<b>Net capital transfers</b>	<b>132</b>	<b>124</b>	<b>124</b>	<b>125</b>	<b>505</b>	<b>114</b>	<b>87</b>	<b>166</b>	<b>205</b>	<b>573</b>
Credit	133	125	125	126	509	115	88	167	206	576
Debit	-1	-1	-1	-1	-3	-1	-1	-1	-1	-3
<b>Direct investment</b>	<b>1,087</b>	<b>-84</b>	<b>624</b>	<b>666</b>	<b>2,293</b>	<b>597</b>	<b>586</b>	<b>791</b>	<b>323</b>	<b>2,296</b>
Abroad	-20	87	-4	17	80	61	14	-8	13	80
In Namibia	1,107	-171	628	649	2,213	536	571	799	310	2,216
<b>Portfolio investment</b>	<b>-1,650</b>	<b>-1,724</b>	<b>-1,643</b>	<b>-1,623</b>	<b>-6,639</b>	<b>-1,922</b>	<b>-2,153</b>	<b>42</b>	<b>-2,692</b>	<b>-6,725</b>
Assets	-1,662	-1,735	-1,654	-1,635	-6,685	-1,934	-2,164	31	-2,706	-6,773
Liabilities	12	11	12	12	46	12	11	12	14	48
<b>Other investment - long term</b>	<b>-92</b>	<b>-15</b>	<b>228</b>	<b>117</b>	<b>238</b>	<b>-99</b>	<b>439</b>	<b>423</b>	<b>557</b>	<b>1,320</b>
Assets	-100	-71	-33	-7	-211	-9	-5	-37	125	75
Liabilities	8	55	261	124	448	-90	443	460	433	1,245
<b>Other investment - short term</b>	<b>-647</b>	<b>687</b>	<b>-164</b>	<b>614</b>	<b>489</b>	<b>-365</b>	<b>-842</b>	<b>-2,041</b>	<b>-1,029</b>	<b>-4,277</b>
Assets	36	69	-99	493	499	-535	-100	-865	-1,020	-2,520
Liabilities	-683	618	-64	120	-9	170	-743	-1,175	-9	-1,757
<b>Capital and Financial Account excluding Reserves</b>	<b>-1,171</b>	<b>-1,013</b>	<b>-830</b>	<b>-101</b>	<b>-3,114</b>	<b>-1,676</b>	<b>-1,883</b>	<b>-618</b>	<b>-2,635</b>	<b>-6,812</b>
<b>Net errors and omissions</b>	<b>-172</b>	<b>157</b>	<b>193</b>	<b>201</b>	<b>380</b>	<b>247</b>	<b>-308</b>	<b>-211</b>	<b>338</b>	<b>66</b>
<b>OVERALL BALANCE</b>	<b>-61</b>	<b>-42</b>	<b>-127</b>	<b>244</b>	<b>14</b>	<b>392</b>	<b>240</b>	<b>384</b>	<b>62</b>	<b>1,078</b>
<b>Reserve Assets</b>	<b>61</b>	<b>42</b>	<b>127</b>	<b>-244</b>	<b>-14</b>	<b>-392</b>	<b>-240</b>	<b>-384</b>	<b>-62</b>	<b>-1,078</b>

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

(p) Provisional

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

	2005(p)					2006(p)				
	Q1	Q2	Q3	Q4	2005	Q1	Q2	Q3	Q4	Q4
<b>Services, net</b>	<b>92</b>	<b>61</b>	<b>30</b>	<b>93</b>	<b>277</b>	<b>144</b>	<b>97</b>	<b>173</b>	<b>211</b>	<b>626</b>
<b>Credit</b>	<b>709</b>	<b>713</b>	<b>553</b>	<b>641</b>	<b>2,615</b>	<b>735</b>	<b>772</b>	<b>1,009</b>	<b>1,067</b>	<b>3,582</b>
Transportation	39	30	31	43	143	139	157	201	194	691
Travel	602	621	454	534	2,211	529	546	733	794	2,601
Insurance	0	0	0	0	0	0	0	5	7	12
Communication	27	27	26	26	106	27	26	26	26	105
Construction	0	0	0	0	0	0	0	0	0	0
Financial	0	0	0	0	0	0	0	0	0	0
Computer and information	0	0	0	0	0	1	3	1	3	8
Royalties and license fees	0	0	0	0	0	0	0	0	0	0
Administrative and business	1	1	0	1	3	1	0	0	0	2
Professional and technical	0	0	0	0	0	0	0	3	1	4
Others, not included elsewhere	1	0	8	3	12	5	5	5	7	22
Government	37	33	33	34	138	34	34	34	34	136
<b>Debit</b>	<b>-617</b>	<b>-652</b>	<b>-522</b>	<b>-547</b>	<b>-2,338</b>	<b>-590</b>	<b>-675</b>	<b>-835</b>	<b>-856</b>	<b>-2,957</b>
Transportation	-222	-216	-187	-203	-829	-232	-202	-281	-305	-1,019
Travel	-183	-189	-146	-168	-686	-168	-174	-224	-240	-806
Insurance	-15	-18	-23	-3	-60	-27	-28	-36	-39	-130
Communication	-0	-0	-0	-0	-2	-0	-0	-0	-0	-2
Construction	-3	-0	-3	-20	-25	-19	-18	-68	-67	-173
Financial	-10	-43	-3	-5	-60	-3	-10	-10	-6	-30
Computer and information	-16	-20	-21	-27	-83	-21	-54	-39	-32	-146
Royalties and license fees	-1	-4	-3	-2	-11	-3	-4	-9	-5	-21
Administrative and business	-24	-55	-56	-36	-172	-38	-52	-46	-52	-189
Professional and technical	-113	-84	-44	-51	-292	-47	-108	-90	-86	-331
Others, not included else where	-14	-7	-22	-17	-60	-16	-9	-17	-8	-51
Government	-15	-15	-15	-15	-59	-15	-15	-15	-15	-59

(p) Provisional

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

	2005(p)					2006(p)				
	Q1	Q2	Q3	Q4	2005	Q1	Q2	Q3	Q4	2006
<b>Compensation of employees, net</b>	-3	-4	-7	-10	-23	-6	-7	-19	-9	-40
Credit	17	17	16	17	67	17	17	17	17	67
Debit	-20	-20	-23	-27	-90	-22	-23	-36	-25	-106
<b>Investment income, net</b>	<b>-285</b>	<b>242</b>	<b>109</b>	<b>-146</b>	<b>-79</b>	<b>220</b>	<b>143</b>	<b>-432</b>	<b>191</b>	<b>122</b>
<b>Credits</b>	<b>419</b>	<b>382</b>	<b>463</b>	<b>231</b>	<b>1,495</b>	<b>389</b>	<b>566</b>	<b>415</b>	<b>318</b>	<b>1,688</b>
Direct Investment	15	8	14	13	49	-8	2	5	8	6
Portfolio Investment	297	264	335	136	1,032	311	446	289	184	1,230
Other Investment	107	110	114	83	413	86	118	121	126	452
<b>Debit</b>	<b>-704</b>	<b>-139</b>	<b>-353</b>	<b>-377</b>	<b>-1,574</b>	<b>-169</b>	<b>-423</b>	<b>-847</b>	<b>-126</b>	<b>-1,566</b>
Direct Investment	-609	-48	-278	-301	-1,237	-98	-345	-769	-43	-1,255
Portfolio Investment	-38	-40	-42	-42	-161	-41	-42	-42	-42	-168
Other Investment	-57	-52	-33	-35	-176	-30	-36	-36	-41	-143

(p) Provisional

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

	2005(p)					2004(p)				
	Q1	Q2	Q3	Q4	2005	Q1	Q2	Q3	Q4	2006
<b>Current transfers, net</b>	<b>1,238</b>	<b>869</b>	<b>1,088</b>	<b>1,068</b>	<b>4,262</b>	<b>1,202</b>	<b>1,721</b>	<b>1,756</b>	<b>1,787</b>	<b>6,466</b>
<b>Credits</b>	<b>1,290</b>	<b>937</b>	<b>1,160</b>	<b>1,160</b>	<b>4,548</b>	<b>1,276</b>	<b>1,799</b>	<b>1,832</b>	<b>1,864</b>	<b>6,771</b>
Government	1,246	897	1,121	1,120	4,384	1,235	1,759	1,773	1,819	6,587
Grants from foreign governments, etc	83	79	79	80	321	80	79	80	80	319
SACU receipts	1,052	807	1,028	1,028	3,915	1,028	1,674	1,674	1,674	6,049
Withholding Taxes	15	12	14	12	53	13	6	20	28	67
Other transfers received	96	0	0	0	96	114	0	0	38	152
Private	44	40	39	41	163	41	40	59	45	185
Grants received by NGO's	10	10	10	10	40	10	10	29	14	63
Other transfers received	33	30	29	31	123	31	30	30	30	121
<b>Debit</b>	<b>-52</b>	<b>-68</b>	<b>-73</b>	<b>-93</b>	<b>-286</b>	<b>-75</b>	<b>-78</b>	<b>-76</b>	<b>-77</b>	<b>-306</b>
Government										
Grants to foreign governments, etc										
SACU receipts	-43	-59	-64	-84	-250	-65	-68	-66	-65	-264
Withholding Taxes	0	0	0	0	0	0	0	0	0	0
Other transfers	0	0	0	0	0	0	0	0	0	0
Private	-8	-8	-8	-8	-31	-8	-8	-8	-8	-31
Grants received by NGO's	0	0	0	0	0	0	0	0	0	0
Other transfers received	-8	-8	-8	-8	-31	-8	-8	-8	-8	-31
<b>Capital Transfers, net</b>	<b>132</b>	<b>124</b>	<b>124</b>	<b>125</b>	<b>505</b>	<b>114</b>	<b>87</b>	<b>166</b>	<b>205</b>	<b>573</b>
<b>Credit</b>	<b>133</b>	<b>125</b>	<b>125</b>	<b>126</b>	<b>509</b>	<b>115</b>	<b>88</b>	<b>167</b>	<b>206</b>	<b>576</b>
Government	126	118	119	120	483	109	81	161	200	550
Private	7	6	6	6	26	7	6	6	6	26
<b>Debit</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-3</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-3</b>
Government	0	0	0	0	0	0	0	0	0	0
Private	-1	-1	-1	-1	-3	-1	-1	-1	-1	-3

(p) Provisional

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

	2005(p)					2006(p)				
	Q1	Q2	Q3	Q4	2005	Q1	Q2	Q3	Q4	2006
<b>Direct investment abroad</b>	<b>-20</b>	<b>87</b>	<b>-4</b>	<b>17</b>	<b>80</b>	<b>61</b>	<b>14</b>	<b>-8</b>	<b>13</b>	<b>80</b>
Equity capital	4	3	0	3	10	9	8	6	15	38
Reinvested earnings	-2	-1	-2	-8	-13	13	2	-4	-4	7
Other capital	-21	85	-2	22	84	40	4	-10	1	36
<b>Direct investment in Namibia</b>	<b>1,107</b>	<b>-171</b>	<b>628</b>	<b>649</b>	<b>2,213</b>	<b>536</b>	<b>571</b>	<b>799</b>	<b>310</b>	<b>2,216</b>
Equity capital	395	276	325	179	1,175	358	57	134	1,997	2,546
Reinvested earnings	639	-43	247	445	1,288	242	477	657	-357	1,019
Other capital	73	-403	55	26	-250	-65	37	8	-1,330	-1,349

(p) Provisional

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

	2005(p)					2006(p)				
	Q1	Q2	Q3	Q4	2005	Q1	Q2	Q3	Q4	2006
<b>Portfolio Investment, net</b>	<b>-1,650</b>	<b>-1,724</b>	<b>-1,643</b>	<b>-1,623</b>	<b>-6,639</b>	<b>-1,922</b>	<b>-2,153</b>	<b>42</b>	<b>-2,692</b>	<b>-6,725</b>
<b>Equity</b>	<b>-1,096</b>	<b>-1,277</b>	<b>-1,167</b>	<b>-1,234</b>	<b>-4,774</b>	<b>-1,210</b>	<b>-1,607</b>	<b>23</b>	<b>-1,829</b>	<b>-4,623</b>
Assets	-1,104	-1,285	-1,175	-1,242	-4,806	-1,218	-1,615	15	-1,837	-4,654
Liabilities	8	8	8	8	32	8	8	8	8	32
<b>Debt</b>	<b>-554</b>	<b>-447</b>	<b>-476</b>	<b>-389</b>	<b>-1,865</b>	<b>-713</b>	<b>-545</b>	<b>19</b>	<b>-863</b>	<b>-2,102</b>
Assets	-558	-450	-479	-392	-1,879	-716	-549	15	-869	-2,119
Liabilities	3	3	4	4	14	4	4	4	6	16

(p) Provisional

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

	2005(p)					2006(p)				
	Q1	Q2	Q3	Q4	2005	Q1	Q2	Q3	Q4	2006
<b>Long-term, net</b>	<b>-92</b>	<b>-15</b>	<b>228</b>	<b>117</b>	<b>238</b>	<b>-99</b>	<b>439</b>	<b>423</b>	<b>557</b>	<b>1,320</b>
General Government	-19	28	-10	54	53	-14	81	-20	38	84
Assets	-10	-10	-10	-10	-40	-10	-10	-10	-10	-40
Liabilities	-9	38	0	64	93	-4	91	-11	48	124
Of which:Drawings	4	65	45	85	199	9	111	9	73	202
Repayments	-13	-27	-45	-22	-106	-13	-21	-20	-25	-79
Monetary Authorities	0	0	0	0	0	0	0	0	0	0
Assets	0	0	0	0	0	0	0	0	0	0
Liabilities	0	0	0	0	0	0	0	0	0	0
Banks	-26	2	354	-7	322	18	322	104	351	796
Assets	-43	-4	34	-8	-21	5	2	1	-2	7
Liabilities	17	6	320	0	343	13	320	103	353	789
Other sectors	-48	-45	-115	71	-137	-104	36	339	169	440
Assets	-47	-57	-57	10	-150	-4	3	-28	137	108
Liabilities	-1	12	-59	60	13	-100	33	367	32	332
<b>Short-term, net</b>	<b>-647</b>	<b>687</b>	<b>-164</b>	<b>614</b>	<b>489</b>	<b>-365</b>	<b>-842</b>	<b>-2,041</b>	<b>-1,029</b>	<b>-4,277</b>
General Government	0	0	0	0	0	0	0	0	0	0
Assets	0	0	0	0	0	0	0	0	0	0
Liabilities	0	0	0	0	0	0	0	0	0	0
Banks	-696	687	-169	648	469	-315	-513	-2,103	-912	-3,843
Assets	-12	73	-101	399	359	-539	-112	-825	-1,004	-2,479
Liabilities	-684	614	-69	249	110	223	-401	-1,278	92	-1,364
Other sectors	49	0	6	-34	20	-49	-329	62	-117	-433
Assets	48	-4	1	94	140	4	12	-40	-16	-40
Liabilities	0	4	4	-129	-120	-53	-342	103	-101	-393

(p) Provisional

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

	2006(p)																							
	Q1			Q2			Q3			Q4														
	SA	Other	Total	SA	Other	Total	SA	Other	Total	SA	Other	Total												
<b>Foreign assets</b>	21928	5482	27410	21476	5369	26845	25169	6292	31461	23872	5968	29840	28633	7158	35791	32498	8124	40622	35653	8913	44566	33211	8303	41513
<b>Direct investment</b>	189	47	236	207	52	259	85	21	106	130	32	162	158	40	198	636	159	796	693	173	866	41	10	51
1.1 Equity capital	118	30	148	160	40	199	64	16	80	109	27	137	90	22	112	623	156	779	681	170	852	30	8	38
1.2 Other capital	71	18	88	48	12	60	21	5	26	21	5	26	68	17	86	13	3	16	12	3	15	11	3	13
Long-term	71	18	88	19	5	24	21	5	26	7	2	9	7	2	9	13	3	16	12	3	15	11	3	13
Short-term	0	0	0	29	7	36	0	0	14	3	17	17	61	15	77	0	0	0	0	0	0	0	0	0
<b>Portfolio investment</b>	19427	3049	22476	19224	3514	22738	24060	3743	27803	22081	3820	25901	23541	7354	30895	26316	8163	34479	28339	8865	37204	27833	3359	31192
2.1 Equity securities	13692	2481	16173	12732	2626	15358	17459	2777	20236	15764	3067	18831	17555	5492	23047	19851	5871	25722	21190	6497	27687	21176	1910	23086
2.2 Debt securities	5735	568	6303	6492	888	7380	6601	966	7567	6317	753	7070	5986	1882	7848	6465	2292	8757	7149	2368	9517	6657	1448	8105
<b>Other investment</b>	2329	582	2912	1683	421	2103	1548	387	1935	1532	383	1916	1956	489	2445	2283	571	2853	2894	724	3618	5865	1466	7331
<b>3.1 Claims of resident non-bank companies</b>	395	99	494	486	122	608	200	50	250	341	85	426	204	51	255	367	92	459	182	45	227	177	44	221
3.1.1 Short-term loans and trade finance	20	5	25	486	122	608	177	44	222	288	72	360	152	38	191	223	56	279	103	26	129	113	28	141
3.1.2 Long-term loans	375	94	469	0	0	0	22	6	28	53	13	66	52	13	65	144	36	180	78	20	98	64	16	80
<b>3.2 Claims of resident banks</b>	368	92	460	345	86	431	539	135	674	233	58	292	159	40	199	690	173	863	875	219	1093	2728	682	3410
3.2.1 Short-term loans	47	12	59	295	74	368	516	129	645	204	51	255	134	34	168	134	34	168	184	46	230	1872	468	2340
3.2.2 Long-term loans	321	80	401	50	13	63	23	6	29	29	7	37	25	6	32	556	139	695	691	173	863	856	214	1070
<b>3.3 Claims of resident parastatal companies</b>	19	5	24	5	1	7	5	1	6	7	2	9	11	3	14	15	4	18	24	6	30	26	7	33
3.3.1 Short-term loans and trade finance	16	4	20	2	1	3	2	1	3	0	0	0	8	2	10	12	3	14	21	5	26	23	6	29
3.3.2 Long-term loans	3	1	4	3	1	4	3	1	4	7	2	9	3	1	4	3	1	4	3	1	4	3	1	4
<b>3.4 Claims of local government authorities</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.4.1 Short-term loans and trade finance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.4.2 Long-term loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>3.5 Claims of central government</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.5.1 Long-term loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>3.6 Currency and deposits reported by Namibian banks</b>	976	244	1220	310	77	387	201	50	251	184	46	230	676	169	845	787	197	984	1398	349	1747	1994	498	2492
3.7 Other assets	571	143	714	537	134	671	603	151	754	767	192	958	905	226	1131	423	106	529	417	104	521	940	235	1175
3.7.1 Other assets*	571	143	714	537	134	671	603	151	754	767	192	958	905	226	1131	423	106	529	417	104	521	940	235	1175
<b>Reserve Assets</b>	1429	357	1786	1395	349	1744	1294	323	1617	1489	372	1861	1803	451	2253	1995	499	2494	2302	575	2877	2351	588	2939
4.1 Monetary gold	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.2 Special drawing rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.3 Reserve position in the IMF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Foreign exchange	1429	357	1786	1395	349	1744	1294	323	1617	1489	372	1861	1802	451	2253	1995	499	2494	2302	575	2877	2351	588	2939
4.5 Other assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

\*These are items such as re-insurance and bonds.  
(p) Provisional, except for the reserve assets.



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

	2006(p)																						
	2005(p)				Q1				Q2				Q3				Q4						
	SA	Other	Total	SA	Other	Total	SA	Other	Total	SA	Other	Total	SA	Other	Total	SA	Other	Total					
Foreign liabilities	19722	4931	24653	21070	5268	26338	16868	4217	21085	20867	5217	26083	22326	5882	27908	20898	5225	26123	5222	20796	6270	27065	
Direct investment	13656	3414	17070	14282	3571	17853	11239	2810	14049	12414	3104	15518	12956	3239	16195	13534	3384	16918	3610	16754	2662	19416	
1.1 Equity capital	10309	2577	12886	11180	2795	13974	10264	2566	12830	11436	2859	14294	11956	2989	14945	11779	2945	14724	3236	14501	2099	16600	
1.2 Other capital	3346	837	4183	3103	776	3878	975	244	1219	979	245	1224	1000	250	1250	1755	439	2194	1496	374	2253	563	2817
Long-term	2698	674	3372	2461	615	3078	453	113	566	348	87	434	575	144	718	735	184	919	748	187	935	283	1416
Short-term	649	162	811	642	161	803	522	130	652	631	158	789	425	106	531	1021	255	1276	748	187	935	1120	1401
Portfolio investment	309	77	387	309	77	387	309	77	387	488	117	585	467	117	584	467	117	584	467	117	584	467	584
2.1 Equity securities	31	8	39	31	8	39	31	8	39	79	20	98	78	20	98	78	20	98	78	20	98	78	98
2.2 Debt securities	278	70	348	278	70	348	278	70	348	389	97	486	389	97	486	389	97	486	389	97	486	389	486
Other investment	5757	1439	7196	6479	1620	8098	5320	1330	6649	7985	1996	9981	8904	2226	11129	6897	1724	8621	1495	3575	3491	7065	
3.1 Liabilities of resident non-bank companies	358	89	447	629	157	786	251	63	314	308	77	385	302	75	377	400	100	500	333	83	417	96	480
3.1.1 Short-term loans	72	18	91	93	23	116	56	14	70	90	22	112	84	21	106	129	32	161	227	57	283	31	154
3.1.2 Long-term loans	285	71	356	536	134	669	196	49	245	218	54	272	217	54	272	272	68	340	107	27	133	65	326
3.2 Liabilities of resident banks	1217	304	1521	1628	407	2035	1160	290	1490	584	146	729	1256	314	1570	569	142	712	264	66	330	169	845
3.2.1 Short-term loans	18	4	22	13	3	17	269	67	336	500	125	625	402	100	502	4	1	5	75	19	94	69	347
3.2.2 Long-term loans	1199	300	1499	1615	404	2019	891	223	1114	84	21	104	854	214	1068	566	141	707	189	47	236	100	498
3.3 Liabilities of resident parastatal companies	1159	290	1449	1084	271	1355	1046	262	1308	1079	270	1349	1067	267	1334	1154	288	1442	1208	302	1510	295	1477
3.3.1 Short-term loans and trade finance	28	7	35	30	7	37	38	9	47	1034	259	1293	1015	254	1269	1094	273	1367	61	15	77	1102	1377
3.3.2 Long-term loans	1131	283	1413	1054	264	1318	1009	252	1261	45	11	56	52	13	65	60	15	75	1147	287	1434	20	100
3.4 Liabilities of local government authorities	229	57	287	229	57	286	229	57	286	232	58	290	232	58	290	232	58	290	232	58	290	232	290
3.4.1 Short-term loans and trade finance	229	57	287	229	57	286	229	57	286	232	58	290	232	58	290	232	58	290	232	58	290	232	290
3.4.2 Long-term loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.5 Liabilities of Central Government	1613	403	2016	1649	412	2061	1561	390	1951	1600	400	2000	1475	369	1843	1905	476	2381	2140	535	2676	186	2526
3.5.1 Long-term loans	1613	403	2016	1649	412	2061	1561	390	1951	1600	400	2000	1475	369	1843	1905	476	2381	2140	535	2676	186	2526
3.6 Currency and deposits reported by Namibian banks	0	0	1477	1260	315	1575	1072	268	1340	922	231	1153	1312	328	1640	1692	423	2115	858	215	1073	914	1143
3.7 Liabilities of EPZ companies	0	0	0	0	0	0	0	0	0	3260	815	4075	3260	815	4075	945	236	1181	945	236	1181	1	304
3.7.1 Short-term loans and trade finance	0	0	0	0	0	0	0	0	0	131	33	164	131	33	164	647	162	809	647	162	809	15	76
3.7.2 Long-term loans	0	0	0	0	0	0	0	0	0	3129	782	3911	3129	782	3911	297	74	372	297	74	372	61	303
3.8 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
3.8.1 Short-term loans and trade finance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.8.2 Long-term loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Foreign Assets (+)/Liabilities(-)	2206	551	2757	406	101	507	8301	2075	10376	3005	751	3757	6306	1577	7883	11599	2900	14499	14751	3688	11558	2890	14448

(p) Provisional

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

Period	US Dollar	UK Pound	Germany Mark	Japan Yen	Switzerland Franc	Spain Peseta	EU ECU
<b>2001</b>	<b>0.0866</b>	<b>0.0602</b>	<b>0.1897</b>	<b>11.0865</b>	<b>0.1431</b>	<b>16.1290</b>	<b>0.0970</b>
<b>2002</b>	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
<b>2003</b>	Jan 0.1152	0.0713	0.1085	13.6799	0.1586	0.1085	0.1085
Feb	0.1204	0.0748	0.1118	14.3678	0.1665	0.1118	0.1118
Mar	0.1243	0.0785	0.1149	14.7275	0.1687	0.1149	0.1149
Apr	0.1298	0.0825	0.1196	15.5521	0.2000	0.1196	0.1196
May	0.1305	0.0804	0.1128	15.2905	0.1770	0.1128	0.1128
Jun	0.1265	0.0762	0.1085	15.1515	0.1671	0.1085	0.1085
Jul	0.1326	0.0816	0.1165	15.7233	0.1802	0.1165	0.1165
Aug	0.1353	0.0848	0.1213	16.0772	0.1869	0.1213	0.1213
Sep	0.1365	0.0849	0.1218	15.7233	0.1884	0.1218	0.1218
Oct	0.1436	0.0857	0.1227	15.7233	0.1899	0.1227	0.1227
Nov	0.1486	0.0880	0.1269	16.2338	0.1980	0.1269	0.1269
Dec	0.1532	0.0878	0.1252	16.5563	0.1946	0.1252	0.1252
<b>2004</b>	Jan 0.1446	0.0794	0.1146	15.3846	0.1794	0.1146	0.1146
Feb	0.1477	0.0791	0.1168	14.3885	0.1838	0.1168	0.1168
Mar	0.1501	0.0825	0.1214	16.3666	0.1925	0.1214	0.1214
Apr	0.1526	0.0846	0.1271	16.3934	0.1977	0.1271	0.1271
May	0.1474	0.0825	0.1227	16.5017	0.1889	0.1227	0.1227
Jun	0.1553	0.0850	0.1280	17.0068	0.1944	0.1280	0.1280
Jul	0.1632	0.0886	0.1329	17.8253	0.2030	0.1329	0.1329
Aug	0.1549	0.0851	0.1272	19.8020	0.1957	0.1272	0.1272
Sep	0.1527	0.0852	0.1251	16.8067	0.1930	0.1251	0.1251
Oct	0.1566	0.0866	0.1253	17.0358	0.1933	0.1253	0.1253
Nov	0.1651	0.0889	0.1272	17.3010	0.1936	0.1272	0.1272
Dec	0.1745	0.0862	0.1301	19.2308	0.1998	0.1301	0.1301
<b>2005</b>	Jan 0.1675	0.0892	0.1276	17.3010	0.1974	0.1276	0.1276
Feb	0.1662	0.0881	0.1277	17.4216	0.1978	0.1277	0.1277
Mar	0.1664	0.0872	0.1259	17.4825	0.1949	0.1259	0.1259
Apr	0.1625	0.0858	0.1255	17.4520	0.1943	0.1255	0.1255
May	0.1579	0.0851	0.1244	16.8350	0.1922	0.1244	0.1244
Jun	0.1481	0.0814	0.1217	16.1031	0.1873	0.1217	0.1217
Jul	0.1492	0.0852	0.1238	16.6945	0.1930	0.1238	0.1238
Aug	0.1547	0.0862	0.1258	17.0940	0.1954	0.1258	0.1258
Sep	0.1573	0.0870	0.1283	17.4520	0.1988	0.1283	0.1283
Nov	0.1502	0.0865	0.1273	17.7936	0.1968	0.1273	0.1273
Dec	0.1573	0.0900	0.1326	18.6567	0.2052	0.1326	0.1326
<b>2006</b>	Jan 0.1642	0.0930	0.1355	18.9394	0.2099	0.1355	0.1355
Feb	0.1635	0.0935	0.1368	19.2678	0.2132	0.1368	0.1368
Mar	0.1599	0.0917	0.1330	18.7617	0.2086	0.1330	0.1330
Apr	0.1647	0.0933	0.1343	19.3050	0.2115	0.1343	0.1343
May	0.1582	0.0847	0.1239	17.6678	0.1929	0.1239	0.1239
Jun	0.1438	0.0779	0.1134	16.4745	0.1770	0.1134	0.1134
Jul	0.1412	0.0765	0.1112	16.3132	0.1745	0.1112	0.1112
Aug	0.1438	0.0760	0.1122	16.6667	0.1770	0.1122	0.1122
Sep	0.1350	0.0716	0.1060	15.7978	0.1679	0.1060	0.1060
Oct	0.1262	0.0672	0.0998	14.9289	0.1588	0.0998	0.0998
Nov	0.1174	0.0628	0.0936	14.0600	0.1497	0.0936	0.0936
Dec	0.1086	0.0584	0.0874	13.1911	0.1406	0.0874	0.0874

Table V.J Effective exchange rate indices

		Nominal effective exchange rate indices			Real effective exchange rate indices		
		Import trade weighted	Export trade weighted	Total trade weighted	Import trade weighted	Export trade weighted	Total trade weighted
<b>2001</b>		<b>99.1</b>	<b>91.1</b>	<b>95.3</b>	<b>102.3</b>	<b>96.9</b>	<b>99.7</b>
<b>2002</b>		<b>97.8</b>	<b>78.2</b>	<b>88.3</b>	<b>103.3</b>	<b>89.2</b>	<b>96.6</b>
<b>2003</b>	Jan	98.5	83.7	91.4	105.5	99.3	102.6
	Feb	98.5	86.0	92.6	105.1	101.5	103.5
	Mar	98.9	88.4	94.0	104.6	103.9	104.3
	Apr	99.2	91.2	95.5	104.3	106.5	105.3
	May	99.0	89.5	94.6	105.2	105.5	105.3
	Jun	98.8	86.8	93.1	106.3	103.5	105.0
	Jul	99.1	90.5	95.9	133.7	109.0	99.5
	Aug	99.3	92.7	96.9	133.1	111.2	100.3
	Sep	99.3	93.0	97.0	133.4	111.4	100.4
	Oct	99.4	93.2	97.1	132.8	111.3	100.3
	Nov	99.6	94.9	97.9	134.5	113.9	101.4
	Dec	99.7	94.8	97.9	132.2	112.9	101.0
<b>2004</b>	Jan	99.2	89.2	95.3	132.3	107.0	98.0
	Feb	99.2	88.9	95.1	132.4	106.7	97.7
	Mar	99.5	91.7	96.5	133.3	110.4	99.1
	Apr	99.6	93.2	97.1	132.7	111.9	99.6
	May	99.5	91.8	96.5	132.4	110.1	99.0
	Jun	99.7	93.7	97.4	132.4	112.3	99.8
	Jul	99.9	96.2	98.6	136.6	117.3	101.9
	Aug	99.8	94.6	97.9	137.6	115.8	101.6
	Sep	99.6	93.5	97.3	137.5	114.4	100.9
	Oct	99.7	94.3	97.7	138.1	115.7	101.4
	Nov	99.9	95.8	98.5	139.8	117.9	102.2
	Dec	100.0	95.3	98.2	140.5	117.6	102.5
<b>2005</b>	Jan	99.9	95.9	98.5	106.2	102.4	93.2
	Feb	99.9	95.4	98.3	106.1	101.9	93.0
	Mar	99.8	94.9	98.0	103.6	100.1	91.8
	Apr	99.8	94.1	97.7	103.7	99.2	91.4
	May	99.7	93.5	97.3	102.4	97.9	90.7
	Jun	99.4	91.1	96.1	102.6	95.7	89.8
	Jul	99.6	93.4	97.2	103.1	98.5	90.8
	Aug	99.7	94.2	97.7	104.1	99.8	91.4
	Sep	99.8	94.9	98.0	106.3	101.5	92.8
	Oct	99.7	94.4	97.7	105.0	100.4	91.7
	Nov	99.7	94.7	97.9	105.9	101.1	92.0
	Dec	99.9	97.2	99.0	107.0	104.2	94.0
<b>2006</b>	Jan	100.1	99.0	99.9	107.5	106.6	94.0
	Feb	100.2	99.4	100.1	107.5	107.1	94.2
	Mar	100.0	98.1	99.5	107.6	105.7	93.6
	Apr	100.1	99.1	100.0	107.3	106.6	94.0
	May	99.7	93.5	97.4	106.5	100.2	91.3
	Jun	99.1	88.2	94.8	105.9	94.5	88.8
	Jul	99.1	87.7	94.6	106.0	94.3	88.4
	Aug	99.1	87.6	94.5	107.6	94.8	88.7
	Sep	98.8	84.4	92.9	108.5	91.8	87.4
	Oct	98.6	83.0	92.2	109.2	90.6	86.9
	Nov	99.4	85.1	93.5	111.2	93.2	88.5
	Dec	98.9	85.2	93.4	110.0	93.0	88.4

**8. BANK OF NAMIBIA PUBLICATIONS**

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THE STRUCTURE AND NATURE OF SAVINGS IN NAMIBIA

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MODELLING INFLATION IN NAMIBIA

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PUBLIC EXPENDITURE IN NAMIBIA

MONETARY POLICY TRANSMISSION MECHANISM IN NAMIBIA

ELECTRONIC COMMERCE IMPLICATION FOR THE FINANCIAL SYSTEM

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