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## CORPORATE CHARTER

### VISION

Our vision is to be the center 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

We value high performance impact in the context of teamwork.  
We uphold open communication, diversity and integrity.  
We care for each other's well-being and value excellence.



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## QUARTERLY KEY EVENTS<sup>1</sup>

Month	Day	Events
Jan	07	Nuclear energy experts from Finland's Nuclear and Radiation Authority is helping the Ministry of Mines and Energy to draft Namibia's first nuclear policy.
	14	Mining activities has resumed at Aim-listed Weatherly International's Matchless and Otjihase, after US\$12 million was spent in 2010 to reopen these mines.
	25	The construction of a multimillion-dollar fresh produce fruit and vegetables market set to create 250 jobs for Kavango locals, has started at Rundu and the first phase is scheduled for completion next February; said Agriculture, Water and Forestry Minister, John Mutorwa.
	27	The Development Bank of Namibia (DBN) has introduced two new departments, namely Lending and Business Support and Development.
Feb	01	Extract Resources has received Government's environmental stamp of approval for its Husab uranium project, paving the way for the development of the second largest uranium mine in the world based on production; said its managing director Jonathan Leslie.
	01	The Namibian Airports Company (NAC) announced that Namibia will spend US\$167 million on upgrading its airports over the next five years.
	16	The Namibian Competition Commission (NCC) announced that it will look into allegations that local supermarket chains are colluding to control prices and limit competition.
Mar	07	The lobster industry at Luderitz performed better in 2010 than in the previous fishing seasons in terms of catches, size and export prices, Fisheries and Marine Resources Minister Bernhard Esau said.
	07	Cabinet has approved the introduction of primary dealers to develop the Namibian financial markets, and authorised the Minister of Finance and the Bank of Namibia to introduce the primary dealership system.
	08	General manager of Namibia Poultry Industries (NPI) announced that the construction of a N\$500 million poultry operation on the farm Klein Okapuka between Windhoek and Okahandja will start at the end of March.
	10	A new Statistics Bill has been introduced to replace the 1976 Statistics Act, which has been amended several times in South Africa.
	14	Fuel has become more expensive by between 40 cents and 60 cents per litre, the price rose to above N\$8 per litre for the first time since 2008.
	22	Horticulture production has increased by 20.8 per cent to 59 040 tons in 2010, according to the Annual Report of Namibia Agronomic Board (NAB).
	25	Finance Minister Saara Kuugongelwa-Amadhila has introduced 162 new projects in the Development Budget over the next three years as part of Government's plan (TIPPEG) to create 104 000 new jobs until 2014.

Source: The Namibian, New Era and Republikein

<sup>1</sup> The quarterly key events are based on media reports and are selected based on their economic relevance.

## NAMIBIA ECONOMIC INDICATORS

Yearly economic indicators	2007	2008	2009	2010	*2011
Population (million)	2.03	2.07	2.10	2.10	
Gini coefficient	0.60	0.60	0.60	0.60	
GDP current prices (N\$ million)	62 080	74 000	77 812	89 099	
GDP constant 2004 prices (N\$ million)	49 371	51 475	51 106	52 662	
% change in annual growth	5.4	4.3	-0.7	4.2	
Namibia Dollar per US Dollar (period average)***	7 054	8 252	8 4371	7 3303	
Annual inflation rate***	6.7	10.3	8.8	4.5	
Government budget balance as % of GDP**	5.1	2.0	-1.6	-7.1	
Quarterly economic indicators	Q1	Q2	Q3	Q4	2011 Q1
<b>Real sector indicators</b>					
Vehicle sales (number)	2 658	2 704	3 012	2939	2986
Inflation rate (quarterly average)	6.1	4.7	4.0	3.2	3.5
Non-performing loans (N\$ 000)	882 480	851 856	781 128	760 844	733 591
<b>Monetary and financial sector indicators</b>					
NFA (quarterly growth rate)	-2.0	-15.0	0.4	-6.4	-9.0
Domestic credit (quarterly growth rate)	4.9	2.2	6.6	8.4	4.1
Private sector credit (quarterly growth rate)	-0.2	3.3	2.6	4.7	1.2
Individual credit (quarterly growth rate)	1.2	2.3	2.4	2.8	2.1
Business borrowing (quarterly growth rate)	-2.7	5.3	3.1	8.1	-0.2
Repo rate	7.0	7.0	7.0	6.00	6.00
Prime lending rate	11.25	11.25	11.13	9.75	9.75
Average lending rate	10.06	9.78	9.59	9.14	8.77
Average deposit rate	5.31	5.06	4.81	4.41	4.33
Average 91 T-Bill rate	7.24	6.92	6.59	5.68	5.74
Average 365 T-Bill rate	7.78	7.34	6.51	5.92	6.31
<b>Fiscal sector indicators</b>					
Total Government debt (N\$ million)	11 922.1	11 880.0	12 288.2	12 968.6	13 826.6
Domestic borrowing (N\$ million)	8 876.0	8 951.2	9 241.2	9 982.5	10 589.5
External borrowing (N\$ million)	3 046.5	2 929.8	3 047.0	2 986.1	3 237.1
Total debt as % of GDP	15.0	13.6	14.1	14.8	15.9
Total Government guarantees (N\$ million)	2 634.9	2 663.4	2 592.5	2 427.6	2 449.6
Total Government guarantees as % of GDP	3.3	3.0	3.0	2.8	2.8
<b>External sector indicators</b>					
Merchandise trade balance (N\$ million)	-1 649	-1 267	-1 887	-970	-1 833
Current account balance (N\$ million)	471	331	214	-107	73
Capital and financial account (N\$ million)	-658	-265	-336	126	-452
Overall balance (N\$ million)	-1 147	-487	-847	-1 304	-1 072
International reserves (N\$ million)	1 147	487	847	1 304	1 072
Imports cover (weeks)	16.97	17.18	13.90	12.22	9.00

\*\*This is financial year data.

\*\*\*Data not available or period not complete.

\*Figures for 2010 are forecasted annual indicators except for annual inflation and exchange rate which are actual.

## International Economic Indicators: Selected Economies

		2009				2010				2011
Variable:	Country	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Inflation/deflation rates	Quarterly average for selected economies									
	USA	-0.1	-1.1	-0.8	1.4	2.3	1.8	1.1	1.3	1.8
	UK	3.0	2.1	1.5	2.1	3.3	3.4	3.1	3.4	4.1
	Euro Area	1.0	0.2	-0.4	0.4	1.1	1.5	1.7	2.0	2.5
	Japan	-0.1	-1.0	-0.8	-2.0	-1.2	-0.9	-0.8	0.1	0.0
	Brazil	6.0	5.2	4.4	4.2	4.9	5.1	4.6	5.6	6.0
	Russia	13.4	12.5	11.4	9.2	7.2	5.9	6.2	8.1	9.5
	India	9.4	8.9	11.8	13.3	10.4	13.6	10.3	9.2	9.1
	China	-0.8	-1.5	-1.3	0.7	2.2	2.9	3.5	4.7	5.1
	South Africa	8.4	7.8	6.4	6.0	5.7	4.5	3.5	3.5	3.8
Monetary Policy Rates	Quarterly average for selected economies (end of period)									
	USA	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
	UK	3.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
	Euro Area	2.4	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Japan	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
	Brazil	12.6	10.3	8.9	8.8	8.8	9.9	10.8	10.8	11.8
	Russia	13.0	12.2	10.9	9.5	8.5	7.6	7.8	7.8	8.0
	India	3.9	3.3	3.3	3.3	3.3	3.8	5.0	5.3	5.8
	China	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.7	6.1
	South Africa	10.8	8.5	7.2	7.0	7.0	6.5	6.0	5.5	5.5
Real GDP	Advance	Annualised Quarterly average for selected economies								
	USA	-3.8	-4.1	-2.7	0.2	2.4	3.0	3.2	2.8	2.3
	UK	-5.4	-5.9	-5.3	-2.8	-0.4	1.5	2.5	1.5	1.8
	Euro Area	-5.2	-5.0	-4.0	-2.1	0.8	2.0	2.0	2.0	2.5
	Japan	-10.3	-7.0	-6.3	-1.5	5.6	3.1	5.0	2.2	-1.0
	BRICS									
	Brazil	-3.0	-2.8	-1.8	5.0	9.3	9.2	6.7	5.0	4.2
	Russia	-9.2	-11.2	-8.6	-2.6	3.5	5.0	3.1	4.5	4.1
	India	5.8	6.3	8.6	7.3	9.4	9.3	8.9	8.3	7.8
	China	6.2	7.9	9.1	10.7	11.9	10.3	9.6	9.8	9.7
	South Africa	-1.4	-2.6	-2.1	-0.6	1.7	3.1	2.7	3.8	3.6
Unemployment	Quarterly average for selected economies									
	USA	8.1	9.3	9.6	10.0	9.7	9.7	9.6	9.6	8.9
	UK	6.8	7.5	7.9	7.8	7.9	7.9	7.7	7.9	7.8
	Euro Area	8.8	9.3	9.6	10.0	10.0	10.1	10.1	10.0	10.0
	Russia	9.1	8.5	8.0	8.0	8.8	7.4	6.5	6.9	7.4
	Japan	4.5	5.2	5.5	5.1	4.9	5.1	5.1	5.0	4.7

Sources: Trading Economics for inflation, monetary policy and unemployment rates. The real GDP data were obtained from Bloomberg.



## SUMMARY OF ECONOMIC AND FINANCIAL CONDITIONS

### Global economy

During the first quarter of 2011, global economic growth slowed on the back of economic shocks, the sovereign debt crisis and support for adjustment efforts in Europe's periphery. Slowdowns in the advanced economies were particularly visible in the US and Japan during the first quarter of 2011. The UK and Euro Area, on the other hand, expanded during the same period. In addition, restrictive monetary policy stances pursued by countries such as Brazil, Russia, India and China during the quarter under review, impacted on the economic growth in the emerging market economies. Overall, according to the IMF's World Economic Outlook, the global economy expanded at an annualized rate of 4.3 per cent in the first quarter of 2011. Going forward, the key downside risks to global growth remain; the high crude oil prices, the sovereign debt crisis in the Euro periphery Area, the sluggish recovery of the US economy as well as the effect of the earthquake and tsunami, which affected Japan, the world's third largest economy. Moreover, high unemployment and a lack of equitable growth are other key threats to global economic recovery. These downside risks may adversely affect the demand for Namibia's exports in the short to medium term.

### Domestic economy

Mirroring the developments in the global economy, Namibia's economic activities slowed during the first three months of 2011. This was on the back of weak performances of economic activities in the various industries. In this respect, the performance of the primary industry was lacklustre, as reflected in mining production and the agricultural sector. Similarly, economic activities in the secondary industry slowed due to sluggish growth in both the manufacturing and construction sectors. The tertiary industry also displayed some weakness as revealed in the declined wholesale and retail trade real turnover during the same period. Moreover, the domestic economy is expected to slow to about 4.1 per cent in 2011 from 4.6 per cent in 2010.

Inflation increased during the first quarter of 2011 to 3.5 per cent after hitting a five-year low of 3.2 per cent during the preceding quarter. The rise in overall inflation was attributed to Namibia consumer price index (NCPI) categories such as housing, water, electricity, gas and other fuels; health and recreation & culture. Inflation rates for the categories food and transport, on the other hand slowed, although it started increasing in April 2011, in line with both increased international prices for food and crude oil.

On the monetary front, the weak economic performance observed in the real economy also mirrored the money and credit developments. Both monetary and credit aggregates were subdued at the end of the first quarter of 2011. The contraction in the broadly defined money supply (M2) could be explained by the significant reduction in net foreign assets of the depository corporations. Further, domestic demand as reflected in private sector credit extended (PSCE) recorded a downward movement. With regard to the monetary policy stance, the Bank of Namibia kept the Repurchase (repo) rate unchanged at 6.00 per cent over the same period.

Fiscal position in terms of Central Government debt and guarantees, in relation to GDP remained sound and within the target bands of 25.0 per cent and 10.0 per cent, respectively, during the fourth quarter of 2010/11. This was despite the rise in the stock of Government's total debt outstanding and loan guarantees, which both rose, quarter-on-quarter, when compared to the previous quarter.

Namibia's external balance recorded a narrowing deficit of N\$1.1 billion, during the first quarter of 2011 (Chart 5.1). This development was mainly on account of an improvement in the current account, with support from some components in the capital and financial account. Current account transfers, predominantly SACU

receipts, a substantial reduction in the investment income payments and the reduced portfolio investment outflows, were the main forces behind the narrowing deficit in the overall balance of the balance of payments during the quarter under review.

Overall, in line with the slowdown in the global economic recovery, the Namibian economy performed weak, with most of its industries indicating sluggish performances during the first quarter of 2011. High prices of crude oil, the sovereign debt crisis in the Euro periphery Area and the fragile recovery of the US economy contributed to this development. Moreover, inflationary pressures started building up due to rising international food and crude oil prices. Going forward, since Namibia is a net-importer of food, the increased food and crude oil prices will adversely affect the country's economic performance and therefore growth prospects.



## INTERNATIONAL ECONOMIC AND FINANCIAL DEVELOPMENTS

The global economy slowed during the first quarter of 2011 on the back of adverse of economic shocks<sup>2</sup>. Hostile weather conditions caused economic activities to grow at a slow pace during the first three months of 2011, especially in the US. Furthermore, political instability in North Africa and the Middle East boosted oil prices, while a devastating earthquake and tsunami in Japan, as well as weak domestic consumer spending have negatively affected the performance of the Japanese economy. Economic activities in emerging markets also slowed during the quarter under review on the back of restrictive monetary policy pursued by countries such as Brazil, Russia, India and China (Table 1.1). Going forward, the key downside risks to global growth are largely high prices of crude oil, and the sovereign debt crisis in the Euro Area as well as the effect of the earthquake and tsunami which affected Japan. Moreover, high unemployment and a lack of equitable growth are also threats to global economic recovery.

**Table 1.1: Annualised quarterly real GDP growth for selected economies**

Advanced Economies	2009				2010				2011 Q1
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
USA	-3.8	-4.1	-2.7	0.2	2.4	3.0	3.2	2.8	2.3
UK	-5.4	-5.9	-5.3	-2.8	-0.4	1.5	2.5	1.5	1.8
Euro Area	-5.2	-5.0	-4.0	-2.0	0.8	2.0	2.0	2.0	2.5
Japan	-10.3	-7.0	-6.3	-1.5	5.6	3.1	5.0	2.2	-1.0
BRICS									
Brazil	-3.0	-2.0	-1.8	5.0	9.3	9.2	6.7	5.0	4.2
Russia	-9.2	-11.2	-8.6	-2.6	-3.5	5.0	3.1	4.5	4.1
India	5.8	6.3	8.6	7.3	9.4	9.3	8.9	8.3	7.8
China	6.2	7.9	9.1	10.7	11.9	10.3	9.6	9.8	9.7
South Africa	-1.4	-2.6	-2.1	-0.6	1.7	3.1	2.7	3.8	3.6

Source: Various Statistical Offices

In the US real GDP slowed to 2.3 per cent during the first quarter of 2011 from 2.8 per cent observed in the preceding quarter largely due to the decline in government consumption as well as sluggish growth in private consumption. Unemployment decreased slightly to 8.9 per cent during the quarter under review from 9.6 per cent in the preceding quarter. The marginal decline in unemployment is mainly attributed to job gains in professional and business services, health care, leisure and hospitality as well as manufacturing sectors, respectively. Inflation rose by 0.5 percentage point to 1.8 per cent during the first quarter underpinned by the high crude oil prices on the back of mounting concerns that political unrest in Libya could spread to other major oil producers in the region and disrupt global oil production.

<sup>2</sup> Economic shocks are defined as events that produce a significant change within an economy. Economic shocks are unpredictable and typically impact supply or demand throughout the market. One example of economic shocks is an inadequate supply of crude oil, which can cause its price to increase, thereby making it expensive to use for business purposes.

Real GDP in the Euro Area grew by 2.5 per cent, year-on-year, during the quarter under review compared to 2.0 per cent registered in the previous quarter. The main sources of growth during the quarter under review were primarily the two largest economies in the Euro Area namely, Germany and France. In this regard, Germany's real GDP rose by 1.5 per cent during the first quarter from 1.0 per cent in the fourth quarter, while France's real GDP increased by 1.0 per cent from 0.4 per cent recorded in the preceding quarter. Exports from these two countries increased significantly during the first quarter of 2011. Apart from the increase in exports, domestic consumption and investment expenditures also performed well in these countries thereby counteracting the impact of the sovereign debt crisis in Greece, Ireland and Portugal. The unemployment rate remained unchanged at 10.0 per cent during the first three months of 2011. The Euro Area's unemployment rate remains high primarily due to subdued economic activities which were restrained by austerity measures implemented by some governments to tackle the budget deficits and public debt dynamics. Inflation increased to 2.5 per cent in the Euro Area during the first quarter of 2011 from a relatively low rate of 2.0 per cent recorded in the preceding period. The key factor underlying the increase in inflation in the Euro Area during the first quarter of 2011 was high crude oil prices which exerted upward pressure on the transport component of the harmonised index of consumer prices.

Real GDP in the UK rose to 1.8 per cent during the first quarter of 2011 from 1.5 per cent in the previous quarter. The main sectors that contributed to growth during the first quarter were business services, transport and storage as well as communication. The unemployment rate decreased slightly to 7.8 per cent in the first quarter of 2011 compared to 7.9 per cent in the preceding quarter. Contributing to the high unemployment rate was the slowdown in activities of the key economic sectors such as banking, finance and insurance. Inflation increased to 4.1 per cent during the first quarter from 3.4 per cent in the preceding quarter due to high crude oil prices complemented by an increase in the value added tax to 20 per cent.

In Japan real GDP contracted by 1.0 per cent during the first quarter of 2011 from 2.2 per cent in the preceding quarter on the back of reduced manufacturing output and weak consumer spending. The earthquake and tsunami had negatively affected economic activities in the world's third largest economy, especially within the manufacturing sector. Moreover, the subsequent nuclear crisis had also contributed to extensive power shortages which compounded the problems experienced by businesses and households. The unemployment rate decreased slightly to 4.7 per cent during the first quarter of 2011 from 5.0 per cent in the previous quarter, while inflation also decreased marginally to 0.0 per cent from 0.1 during the same period. The decrease in the unemployment rate could be ascribed to reconstruction taking place in various sectors of the economy, after the earthquake and tsunami. Inflation decreased due to weak domestic demand.

China's real GDP slowed slightly to 9.7 per cent in the first quarter of 2011 from 9.8 per cent recorded in the preceding quarter. The slowdown was largely underpinned by monetary policy tightening efforts aimed at containing inflationary pressures. Furthermore, the government has also raised minimum down payments for second home purchases and introduced higher property taxes in two of the country's largest cities to slow overwhelming growth in China's property market. Inflation rose to 5.1 per cent in the quarter under review from 4.7 per cent registered in the previous quarter. An upward trend in the prices of imported commodities such as crude oil and food caused inflation to increase during the first three months of 2011.

In Russia economic growth slowed to 4.1 per cent in the first quarter of 2011 from 4.5 per cent in the preceding period on account of weak performance by corporate investment, consumer spending and significant capital outflows amounting to US\$21.3 billion. The outflow of capital during the quarter under review could be a result of an unfavourable investment climate in Russia that affected both foreign and domestic investors. Consistent with a slowdown in real GDP, the unemployment rate increased to 7.4 per cent in the first quarter from 6.9 per cent during the last quarter of 2010. Also, skills shortages in the service sector have exacerbated the unemployment problem in Russia. Inflation increased to 4.9 per cent in the first quarter from 4.2 per cent registered during the previous quarter underpinned by an upward trend in the prices of food and fuel.

Real GDP for Brazil slowed to 4.2 per cent during the first three months of 2011 from a much higher growth of 5.0 per cent in the preceding period. The slowdown was underpinned by sluggish performance of the agricultural and services sectors of the economy. Unemployment increased to 6.7 per cent in the first quarter from 5.7 per cent in the preceding quarter largely due to the slowdown in economic activities in the agricultural and services sectors. Inflation rose to 6.0 per cent during the quarter under review from 5.6 per cent during the final quarter of 2010. The key factors which contributed to the increase in inflation were high international food and fuel prices.

Real GDP slowed in India to 7.8 per cent during the first quarter of 2011 from a much robust growth of 8.3 per cent in the preceding quarter. Underpinning the slowdown in economic growth during the first three months of 2011 were weaker activities in the manufacturing, mining, finance and insurance sectors.

Economic sectors which performed relatively well during the quarter under review were: agriculture, forestry and fishing, electricity, gas and water supply, construction, trade, hotels, transport and communication as well as real estate and business services. Inflation declined slightly to 9.1 per cent during the first quarter of 2011 from 9.2 per cent in the fourth quarter of 2010. Inflation remained relatively high on the back of increases in the prices of food and fuel.

South Africa's real GDP slowed to 3.6 per cent, year-on-year, during the first quarter from 3.8 per cent during the preceding quarter. The manufacturing sector was the key driver of South Africa's growth performance during the first quarter of 2011 with a growth of 4.9 per cent compared to 3.9 per cent during the preceding quarter. Within the manufacturing sector, the best performing sub-sectors were: petroleum, chemicals, rubber and plastic products as well as basic iron and steel, non-ferrous metals, metal products and machinery. In contrast, growth in the mining sector slowed by 3.5 per cent during the first three months of 2011 relative to a much robust growth of 10.9 per cent observed in the previous quarter. Economic activities in agriculture grew by 1.6 per cent during the quarter under review compared to 0.6 per cent in the preceding quarter, on the back of increased horticultural and livestock production. Other sectors which contributed to economic growth in the first quarter were: wholesale, retail and motor trade, finance, real estate and business services as well as transport and communication.

The unemployment rate for South Africa declined by 1.0 percentage point to 24.0 in the first quarter of 2011 from 25.3 per cent recorded in the final quarter of 2010. This was due to 20,000 jobs that were created in the manufacturing sector. In addition, about 15,000 jobs were created in the mining sector, while 37,000 jobs were created in the financial services sector. A total number of 14,000 jobs were, however lost during the first quarter of 2011. The main sectors in which jobs were lost are agriculture, construction and transport. In contrast, employment in export-orientated sectors remained firm, underpinned by improving global demand conditions. Producer price inflation as measured by the Producer Price Index (PPI) increased to 6.5 per cent in the first quarter from 6.1 per cent in the preceding quarter of 2010 on account of price raises in mining, petroleum products, basic metals as well as chemicals and chemical products. On the other hand, overall inflation as measured by the annual percentage change in the consumer price index rose to 3.8 per cent during the first quarter from 3.5 per cent during the preceding quarter. The increase largely emanated from the food and transport CPI categories.

## **Monetary policy stance**

With the aim of nurturing their economic recovery, most central banks in the advanced economies continued to pursue expansionary monetary policy, while those in emerging economies, with the exception of South Africa raised their policy rates at their meetings held during the first quarter (Table 1.2). The varying policy stances indicate various policy priorities that exist in different countries. In this regard, within the advanced economies, the US Federal Reserve maintained its policy rate within the band of 0-0.25 per cent. The Federal Open Market Committee (FOMC) was of the view that such a monetary policy stance was harmonious with its statutory mandate that seeks to foster maximum employment and price stability. Currently, the unemployment rate is high, and measures of underlying inflation are somewhat low, relative to levels that the Committee judges to be consistent, over the longer run, with its dual mandate. Although, recent increases in the prices of energy and other commodities will put upward pressure on inflation, the FOMC was of the view that the effects will be transitory. Equally, the Bank of Japan also decided to keep its policy rate unchanged at about 0 - 0.1 per cent during its meetings in the first quarter. To mitigate the impact of the earthquake, the Bank of Japan, has been providing ample funds sufficient to meet demand in the markets with a view to ensuring stability in financial markets. As a result, the Japanese Central Bank eased its monetary policy stance further by increasing the amount of the Asset Purchase Program, mainly of risky assets to ¥40 trillion from ¥35 trillion. Furthermore, the Bank of Japan also introduced an operation that will supply funds on a long-term basis to financial institutions in disaster areas to support their initial response efforts to meet the future demand for funds aimed at restoring and rebuilding those parts of the country affected by the earthquake. It also regarded it appropriate to broaden the range of eligible collateral for money market operations with a view to securing sufficient financing capacity of financial institutions in disaster areas.

Similarly, the Reserve Bank of Australia (RBA) maintained its cash rate at 4.75 per cent during the first quarter stating that it expects inflation to continue remaining within the target range of 2.0-3.0 per cent. The Monetary Policy Committee of the RBA also contended that its relatively tight monetary policy stance remained consistent with the country's macroeconomic outlook. The European Central Bank (ECB) on its part also retained its lending rate at 1.00 per cent during its meeting in the first three months of 2011. The key factor which prompted the ECB to maintain its refinancing rate at 1.00 per cent during the first quarter of 2011 was the elevated uncertainty in the Euro Area, which warranted an accommodative monetary policy stance to provide support to economic activities. Meanwhile, the Bank of England maintained its policy rate at 0.50 per cent during the first quarter on account of the weak state of economic recovery that prevailed in that country.

For emerging economies, Brazil, China and India raised their policy rates at their meetings in the first quarter. In this regard, the Bank of Brazil increased its policy rate by 0.50 per cent to 11.75 per cent with a view to restraint demand and therefore inflation. Brazil registered an inflation rate of 6.0 in March 2011 representing 1.5 percentage points above the government target of 4.5 per cent. In the case of China, the policy rate was raised by 0.25 per cent in order to tackle inflation in the world's fastest-growing economy. Similarly the Reserve Bank of India (RBI) increased its policy rate by 0.25 per cent during the first quarter of 2011 to contain inflationary pressures. According to the Monetary Policy Statement of RBI, the current stance of the monetary policy is intended to contain the spill-over of high food and fuel inflation into generalised inflation and anchor inflationary expectations going forward. South Africa was the only economy from the selected emerging economies that opted to keep its policy rate unchanged at 5.50 per cent in the first quarter of 2011 because of high unemployment and moderate growth prospects expected at 3.7 per cent in 2011 and 3.9 per cent for 2012, respectively.

**Table 1.2: Monetary Policy Developments**

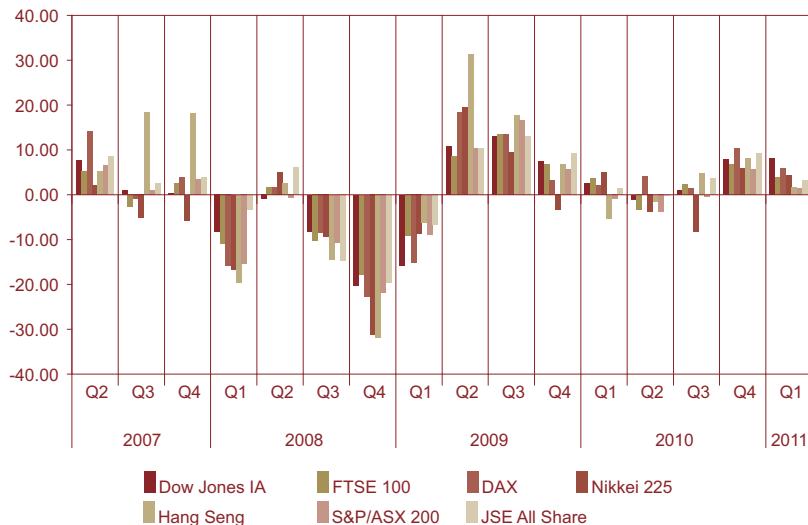
Countries	Policy Rate	Q4 2010 end of month rates	Policy Rate % $\Delta$	Q1 2011 end of month rates
<b>Advanced</b>				
USA	Fed Fund	0.25	0.00	0.25
Canada	Overnight rate	1.00	0.00	1.00
Australia	Cash rate	4.75	0.00	4.75
Euro Area	Refinance rate	1.00	0.00	1.00
UK	Base rate	0.50	0.00	0.50
Japan	Call rate	0.00	0.00	0.00
<b>BRICs</b>				
Brazil	Short term interest rate	11.75	1.00	11.75
Russia	Refinancing rate	7.75	0.25	8.00
India	Repo rate	5.25	0.50	5.75
China	Lending rate	5.69	0.37	6.06
South Africa	Repo rate	5.50	0.00	5.50

Source: Trading Economics /Respective Central Banks

## Capital and Financial markets

Developments in financial markets were generally positive, although modest during the first quarter of 2011. The main issues which contributed to the modest trend in the financial markets during the quarter under review were amongst others: sovereign debt crisis in the Euro Area, political unrest in the Middle East and North Africa (MENA) and the earthquake and tsunami in Japan. Notwithstanding the development cited above, the Dow Jones Industrial Average registered a growth of 6.4 per cent during the first quarter on the back of an improved corporate outlook across the US. On the other hand, the German Dax recorded a marginal growth of 1.8 per cent, while the French CAC recorded an increase of 4.8 per cent (Chart 1.1). UK equities were only marginally positive with a return of 0.1 per cent from the FTSE 100, while the Nikkei an indicator for the Japanese equity market declined by 4.6 per cent in the first quarter because of the impact of the earthquake and tsunami which adversely affected the country during the third month of the quarter under review.

**Chart 1.1: Stock price indices: average quarterly growth rates**



Source: Bloomberg

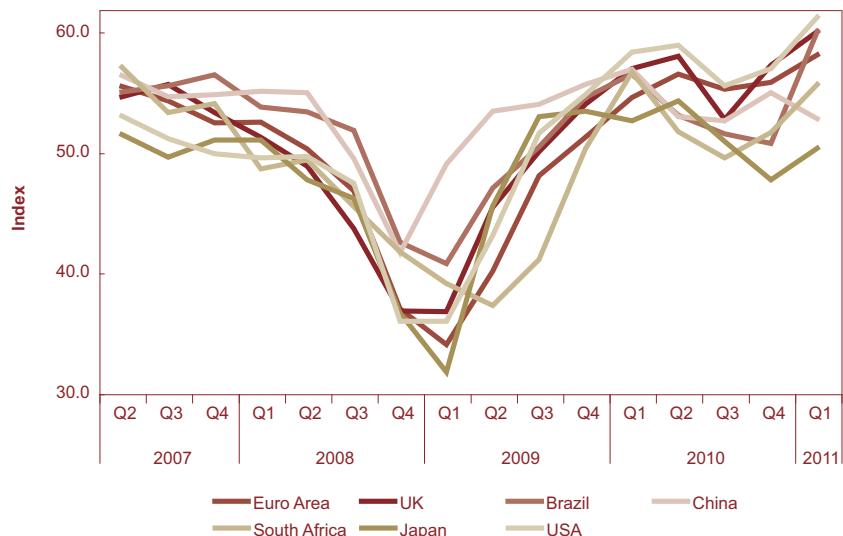
### Purchasing managers' Index (PMI)<sup>3</sup>

Purchasing Managers' Indices for the majority of economies increased during the first quarter of 2011 compared to the preceding quarter (Chart 1.2). In this regard, PMIs for countries such as, Brazil, China, South Africa, UK, US and Japan were above the 50 threshold level during the first quarter suggesting that the manufacturing sectors of these countries continued to expand compared to the last quarter of 2010 (Chart 1.2). The US was the leading performer by registering a quarterly PMI of 61.1 in the first quarter of 2011 compared to a level of 56.8 during the preceding quarter underpinned by the rapid growth in the manufacturing sector. Similarly, the UK's PMI was also fairly robust reaching a level of 59.9 in the first three months of 2011 compared to 57.1 in the preceding period on account of brisk performance of the manufacturing sector, coupled with significant new orders. Equally, Japan's PMI improved to 50.2 during the first three months of 2011 from 47.6 in the previous period underpinned by export demand. Manufacturing production rose in Japan during January and February 2011 as a result of an improvement in new export orders, especially to the Asian market. Although Japan's PMI decreased by 6.5 points in March 2011 as a result of the tsunami, such a decline was not strong enough to counteract the increase in the PMI recorded in the first two months of 2011.

Amongst the emerging markets, Brazil registered the highest PMI of 59.9 during the quarter under review from 50.6 during the preceding period. A number of factors contributed to the improved performance of Brazil's PMI which entails, solid expansion of economic activity in the country's industrial sector coupled with an increase in new orders. Apart from Brazil, South Africa's PMI also performed fairly well by recording a level of 55.5 in the first three months of 2011. The improved performance of South Africa's PMI was mainly due to strong demand for manufactured goods which contributed to the growth in the output of the manufacturing sector. In contrast, China's PMI moderated to 52.7 during the quarter under review from a level of 54.8 in the preceding quarter due to slower demand for manufactured products and restrictive credit conditions that emanated from a less accommodative monetary policy stance pursued by the People's Bank of China.

<sup>3</sup> PMI is an indicator of the economic health of the manufacturing sector. The PMI index is based on five major indicators namely: new orders, inventory levels, production, supplier deliveries and the employment environment. A PMI of more than 50 represents expansion of the manufacturing sector, compared to the previous period. A reading under 50 represents a contraction, while a reading at 50 indicates no change.

**Chart 1.2: Purchasing Managers' Index**

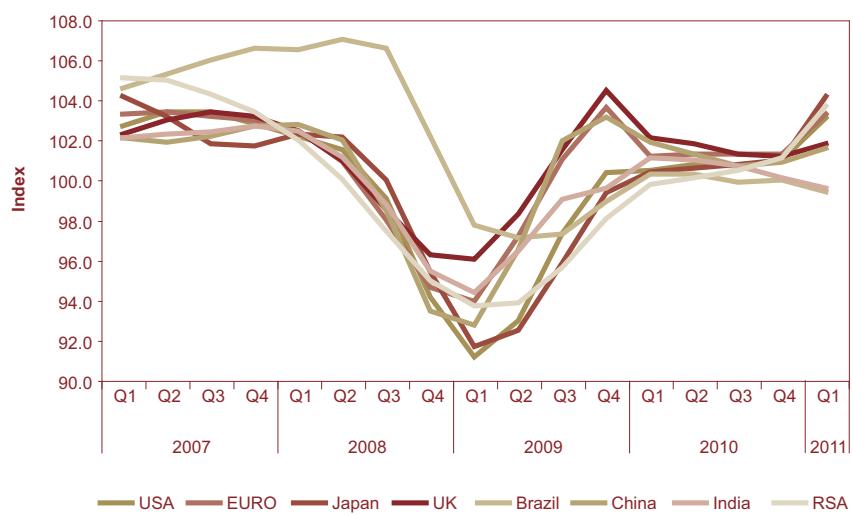


Source: Markit Economics

### Composite Leading Indicators (CLI)

The Composite leading indicators (CLI) for the US, Japan and China recorded a positive, but slow upward trend during the first quarter of 2011 signalling that economic activities would continue to expand in these countries (Chart 1.3). The growth in the CLIs for the US amounted to 0.4 per cent during the first three months of 2011. Similarly, Japan's CLI grew by 0.4 per cent during the first quarter of 2011 on the back of moderate growth in manufacturing activities. This was followed by that of China, which grew by 0.3 per cent. The CLI's for most countries in the Euro Area remained steady compared to the last quarter of 2010 driven by activities in Germany and France. However, this was not adequate to counteract the loss of momentum in economic activity that was experienced by Italy and the slow, albeit stable pace of growth recorded by the UK. In emerging markets, the CLI for Brazil declined by 0.3 per cent in the first quarter compared to the preceding quarter, while that of India also decreased by 0.2 per cent during the same period, signalling a slowdown in economic activities in future.

**Chart 1.3: Composite Leading Indicator of selected economies**

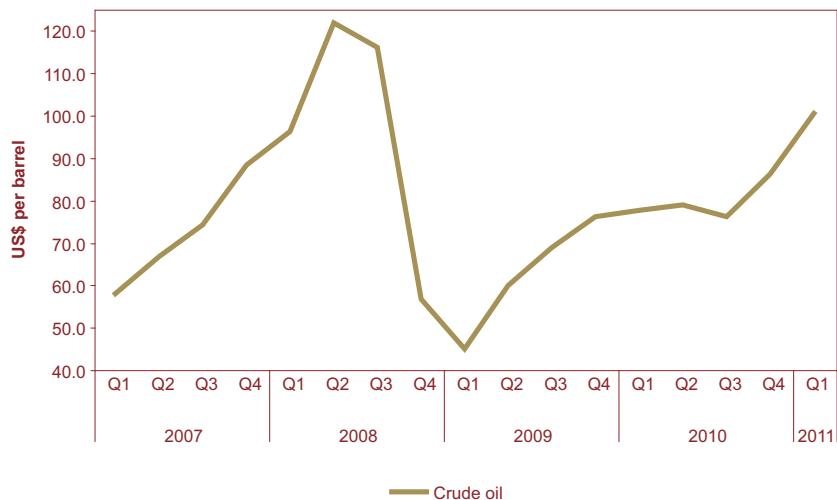


Source: OECD

## International commodity prices

During the period under review, the international price for crude oil increased by 16.6 per cent, quarter-on-quarter to US\$99.7 (Chart 1.4). Prices also rose by 29.4 per cent, on an annual basis. Political unrest in the Middle East and North Africa, which resulted in reduced crude oil output from Libya as well as the disruption of oil shipments through the Suez Canal, partly contributed to the increase in crude oil prices. Apart from supply factors, robust demand from Asian countries, especially China and India may also have contributed to an increase in oil prices during the quarter under review.

**Chart 1.4: Oil prices**

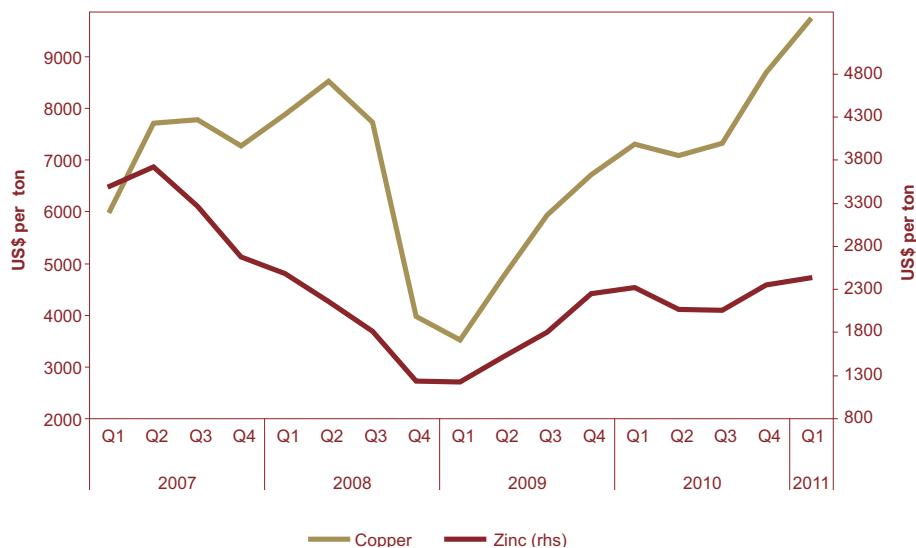


Source: IMF

## Metal prices

International prices for base metals, particularly copper and zinc increased during the first three months of 2011, as a result of strong expectations that reconstruction efforts will boost metal demand in the medium term following the earthquake in Japan during March 2011. In this connection, the price of copper rose by 11.6 per cent, quarter-on-quarter, while that of zinc also increased by 3.5 per cent over the same period. On a yearly basis, an increase of 11.6 per cent was recorded in the price of copper, while that of zinc rose by 5.0 per cent (Chart 1.5). Underpinning the upward trend in the prices of these commodities was largely emerging market demand, particularly from China and India.

**Chart 1.5: Copper and Zinc prices**

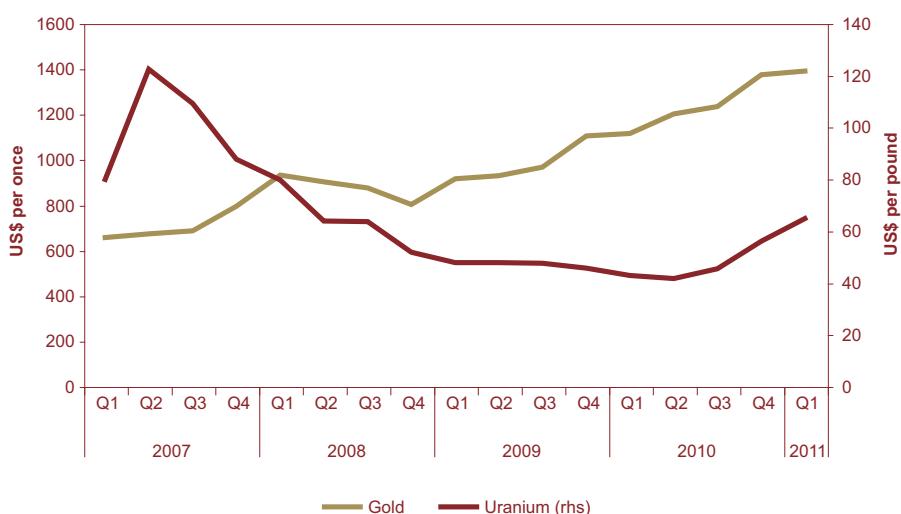


Source: IMF

The price of gold increased by 2.4 per cent, quarter-on-quarter, as a result of strong demand for investment purposes. Similarly, the price of gold rose by 24.9 per cent annually during the first three months of 2011. The key driver of gold prices during the quarter under review was inflation, especially food and energy inflation that have caused investors to hedge their assets by investing in gold as a 'safe haven'. This has prompted significant activity in the gold market, particularly in China and India. Apart from inflation, the USD weakened against major currencies, which in turn supported gold prices given the negative correlation of gold prices to the USD. The political situation in the MENA region as well as the natural disaster in Japan, have also drawn attention to gold's quality as a vehicle to preserve capital and provide liquidity.

The price of uranium also increased by 15.4 per cent on a quarterly basis coupled with an increase of 51.8 per cent on an annual basis during the first quarter of 2011 (chart 1.6). China's nuclear programme combined with reports that producers will not meet supply targets were the main factors that caused uranium prices to increase during the quarter under review. Apart from the demand from China, Indian and Russian electricity supply companies have also been demanding uranium in large quantities to generate nuclear energy which have contributed to an increase in uranium prices. Thus far, the nuclear accidents in Japan have not slowed the construction of nuclear reactors in China. The world's most populous nation currently has 14 nuclear power reactors in operation with more than 25 currently under construction.

**Chart 1.6: Gold and Uranium prices**

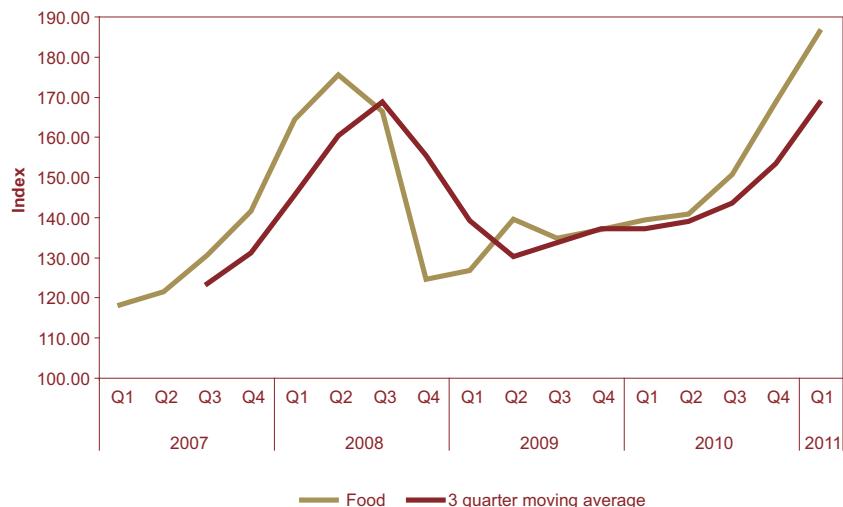


Source: IMF

## Food price index

Due to supply-side factors, mostly weather disruptions, intensified by climate change, the food price index increased by 10.3 per cent on a quarterly basis during the first quarter of 2011. Similarly, the index rose by 33.8 per cent on an annual basis (Chart 1.7). Although, global food supply remained tight during the period under review, global demand was robust as a result of strong income growth in emerging market economies. In combination with rising incomes, globalisation and urbanisation are contributing to a switch of dietary preferences towards more sophisticated diets, including foods requiring intensive use of resources (water, energy and grains). The consumption of animal proteins, in particular is rising fast in developing countries. The increase in the usage of crops for fuel production (i.e. bio-diesel) has also contributed to higher food prices by driving up demand given limited supply. Moreover, higher oil prices had also affected food prices by increasing input and production costs and reinforcing demand for biofuels. As a result, the international prices of key agricultural commodities such as maize and wheat increased significantly during the first quarter of 2011.

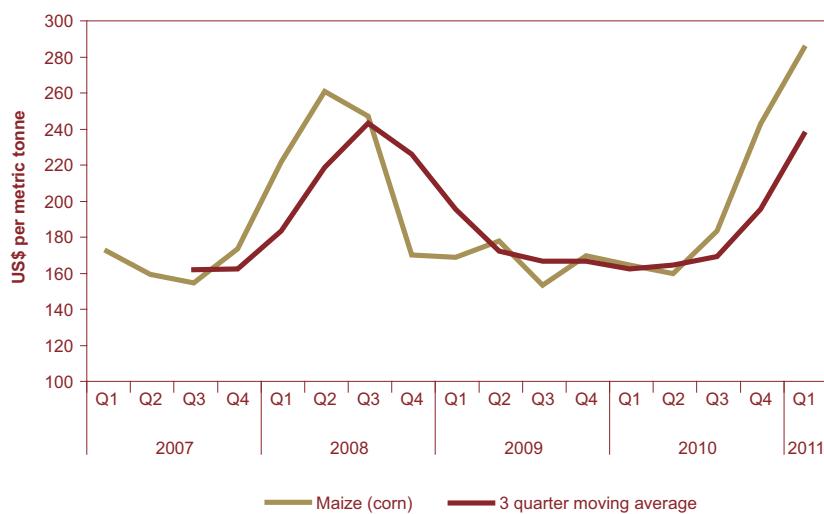
**Chart 1.7: Food price index**



Source: IMF

In line with the general upward trend in international grain prices, the price of maize (corn) increased substantially registering a quarterly growth of 17.4 per cent during the quarter under review. The trend was not any different on an annual basis where the price of maize rose significantly by 74.1 per cent (Chart 1.8). The remarkable increase in maize prices during the first three months of 2011 was largely attributed to its usage for the production of bio-ethanol. Low inventories have also contributed to the increase in maize prices.

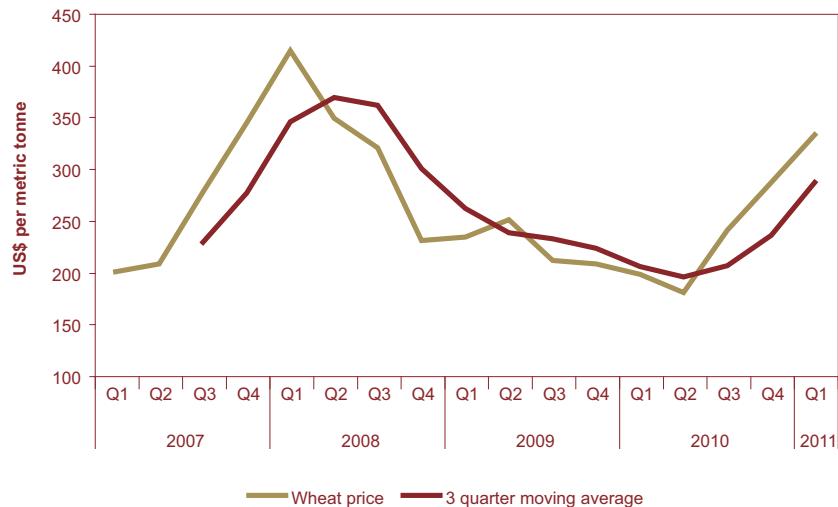
**Chart 1.8: Maize price**



Source: FAO

Equally, wheat prices rose considerably, recording quarterly and annual growth rates of 16.4 per cent and 68.9 per cent, respectively, during the first three months of 2011 (Chart 1.9). Accounting for the increase in the price of wheat was largely the usage of land for planting maize given that it is used to produce bio-ethanol generally and more especially recently due to high crude oil prices which were witnessed during the first quarter of 2011.

**Chart 1.9: Wheat price**



Source: FAO

Going forward, it is expected that international food prices may remain high and volatile on the account of low stock levels. Moreover, the Food and Agriculture Organisation (FAO) of the United Nations predicts only a modest increase in overall global production for the majority of crops. This could therefore exert upward pressure on international food prices in the short to medium term.

### Currency market

During the quarter under review, the US Dollar (USD) appreciated against the British Pound and the Euro, while depreciating against the Australian Dollar, the Canadian Dollar as well as the Japanese Yen, respectively. On a quarterly basis, the USD appreciated against the British Pound by 2.4 per cent and 3.5 per cent against the Euro. Renewed concerns about possible sovereign debt restructuring in the Euro Area was the main factor that drove the depreciation of the Euro against the USD. Similarly, correlation between the Euro and the British Pound has contributed greatly towards the depreciation of this currency against the USD during the first three months of 2011. The Australian and Canadian currencies have appreciated against the USD during the first quarter of 2011 as investors continued to search for opportunities in economies with higher interest rates than those of the US. Consequently, the AUD appreciated by 0.5 per cent against the USD, while the CAD appreciated by 0.6 per cent against the USD during the first three months of 2011. The Japanese Yen also appreciated by 0.6 per cent against the USD during the quarter under review. This is partly ascribed to risk aversion of Japanese investors who avoided investing in risky asset denominated in other currencies, especially the USD. (Table 1.3).

**Table 1.3: Exchange rates: US dollar against major trading currencies**

Period	Pound	EURO	AUD	CAD	Yen
<b>2007</b>					
Q1	0.5091	0.7575	1.2646	1.1677	118.9633
Q2	0.5010	0.7380	1.1960	1.0795	121.4833
Q3	0.4924	0.7220	1.1729	1.0382	116.6467
Q4	0.4904	0.6857	1.1175	0.9807	112.6133
<b>2008</b>					
Q1	0.5034	0.6550	1.0930	1.0037	103.5033
Q2	0.5040	0.6404	1.0506	1.0073	105.3600
Q3	0.5388	0.6785	1.1648	1.0496	107.6500
Q4	0.6518	0.7632	1.4832	1.2193	94.8733
<b>2009</b>					
Q1	0.6960	0.7740	1.5205	1.2545	95.7467
Q2	0.6344	0.7257	1.2870	1.1502	96.9333
Q3	0.6124	0.6941	1.1733	1.0822	92.3800
Q4	0.6125	0.6814	1.1070	1.0614	89.8167
<b>2010</b>					
Q1	0.6464	0.7314	1.1113	1.0454	90.9233
Q2	0.6703	0.7942	1.1488	1.0422	91.2500
Q3	0.6416	0.7629	1.0886	1.0414	84.6767
Q4	0.6358	0.7456	1.0125	1.0126	81.7633
<b>2011</b>					
Q1	0.6205	0.7199	1.0173	1.0189	82.2127

Source: Bloomberg

## Overall assessment of the international economy

Available data indicate that the performance of the global economy was adversely influenced by a number of shocks during the first quarter of 2011. Adverse weather conditions caused economic activities to grow at a slow pace during the first three months of 2011, particularly in the US. Furthermore, political instability in the MENA region boosted oil prices, while a devastating disaster in Japan seems to have had a bigger impact on the Japanese economy, than was initially expected. These events have therefore, contributed to a slowdown in the economic activities of some advanced economies during the first quarter of 2011. Despite the slowdown in some major economies, the Euro Area and the UK registered a relatively favourable performance during the quarter under review.

Economic activities in emerging markets also slowed during the first quarter of 2011 on the back of restrictive monetary policy pursued by countries such as Brazil, Russia, India and China. Real GDP growth also slowed in South Africa due to weak activities in the mining and agricultural sectors. Looking ahead, the downside risks from high crude oil prices, Europe's sovereign debt crisis and the sluggish recovery of the US economy may adversely affect the demand for Namibia's export in the short to medium term. Moreover, if the proposed reforms to the Generalised System of Preferences (GSP)<sup>4</sup> are implemented, Namibia's beef exports to the European Union could also be adversely affected. In this regard, the need to explore alternative markets for Namibian products can therefore, not be overemphasised.

<sup>4</sup> GSP is a system of exemption from the most favored nation principle (MFN) that obliges WTO member countries to treat the imports of all other WTO member countries no worse than they treat the imports of their "most favored" trading partner.



## REAL DOMESTIC ECONOMIC AND PRICE DEVELOPMENTS

### REAL SECTOR DEVELOPMENTS

The real sector performed relatively weak during the first quarter of 2011 compared to the preceding quarter. With the exception of diamonds, economic activities in the primary industry slowed as reflected in mining production and the agricultural sector, which declined during the period under review. Similarly, economic activities in the secondary industry slowed as reflected both in the manufacturing and construction sectors. Nonetheless, construction is expected to improve in the near term as shown in the value of building plans approved. The tertiary industry also displayed some weakness and this was revealed in the declined wholesale and retail trade real turnover. Furthermore, land transportation, travel and tourism activities declined over the same period. However, the number of vehicles sold and water transportation improved over the same period.

#### Primary Industry<sup>5</sup>

##### Agriculture

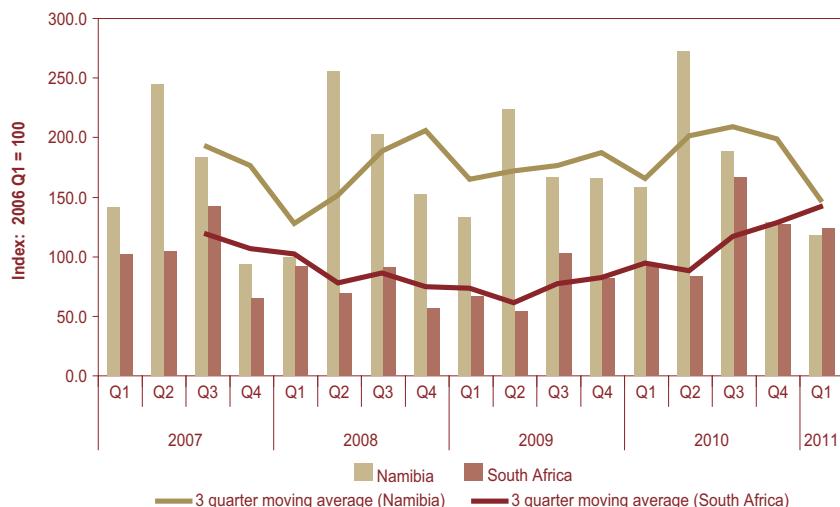
Activities in the agricultural sector performed relatively poor during the first quarter of 2011, compared to the preceding quarter. This was reflected in indicators such as cattle marketed, milk produced and horticulture which declined, while a marginal growth was recorded in small stock marketed over the same period. On a yearly basis, a similar trend has been observed in all indicators. Moreover, an unusual high rainfall in most parts of Namibia had an adverse impact on the agriculture sector.

##### Cattle marketed

The marketing of cattle in Namibia did not perform well during the first quarter of 2011 compared to both the previous quarter and the corresponding quarter in 2010. Cattle marketed to South Africa was relatively poor compared to the previous quarter although improving on an annual basis. During the first quarter of 2011, the total number of cattle marketed was 76 434, which represents a reduction of 4.5 per cent on a quarterly basis. The observed decline was manifested in both cattle marketed locally and to the South African market, which reduced by 8.1 per cent and 2.6 per cent, respectively (Chart 2.1). High rainfall that might result in retention of stock and production of oxen rather than weaners, contributed to the decline. On a yearly basis, cattle marketed rose by 6.9 per cent from 71 505 heads recorded over the same period in 2010. Favourable weaner prices offered by South Africa drove this increase for weaner exports to that market that grew 35.3 per cent year-on-year.

<sup>5</sup> The indices represented in the charts of this section are all volume indices..

**Chart 2.1: Cattle marketed**

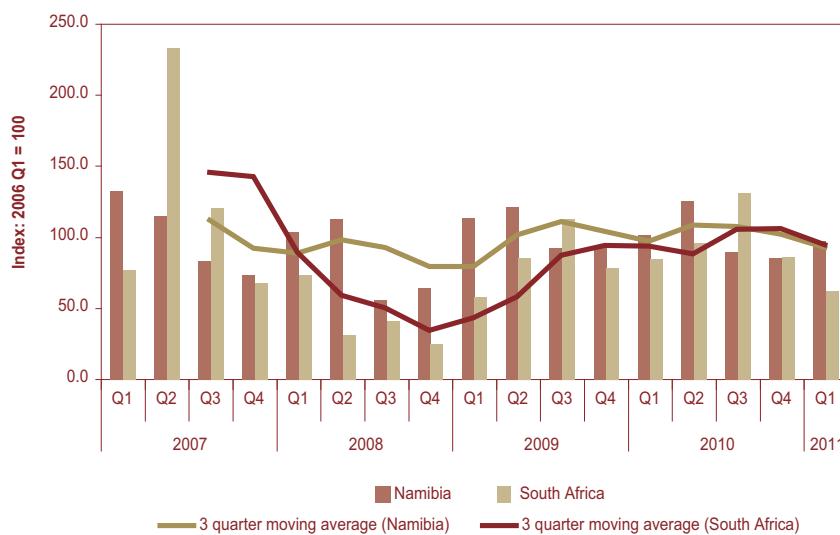


Source: Meat Board of Namibia

### Small stock marketed

The number of small stock marketed increased by 2.1 per cent, quarter-on-quarter, to 277 897, during the first quarter of 2011 (Chart 2.2). The quarterly increase was reflected in small stock slaughtered domestically that increased by 14.1 per cent as exports to South Africa dropped marginally. Although the export market of South Africa remains lucrative for Namibian exporters of small stock, prices offered were down by 11.7 per cent quarter-on-quarter. Trade cyclical patterns were responsible for the lower exports to that market over the reference period. On a yearly basis, the total number of small stock marketed declined by 10.3 per cent, which was reflected in both domestic slaughtering and live exports to South Africa. The price offered for small stock reduced significantly by 15.2 per cent year-on-year and this contributed to the lower numbers marketed.

**Chart 2.2: Small stock marketed**

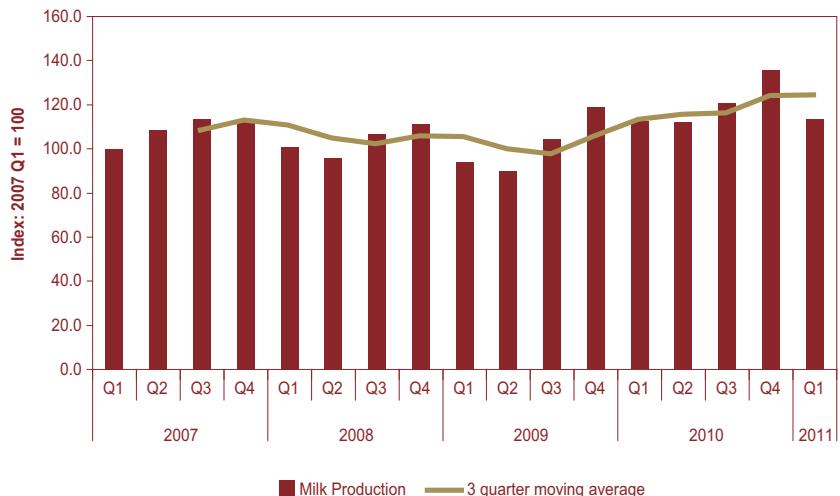


Source: Meat Board of Namibia

### Milk production

Milk production declined substantially by 16.1 per cent to 5.1 million litres during the first quarter of 2011 when compared to the previous quarter (Chart 2.3). Significantly, wetter conditions in the reference period affected productivity of milk producing cows. This resulted in the observed decline in milk production during the quarter. However, year-on-year, milk production rose by 1.1 per cent from 5.0 million litres recorded during the first quarter of 2010. This slight improvement was mainly due to the increased number of cows at the production farms.

**Chart 2.3: Milk production**

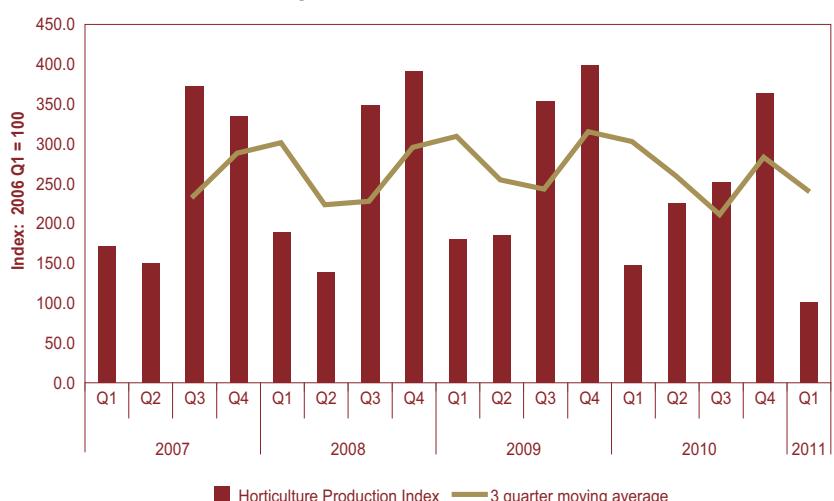


Source: Agricultural Union of Namibia

## Horticulture

Namibia's horticulture production is cyclical with the first quarter of each year being a period of low production. Horticulture production declined by 72.3 per cent to 5 492 tonnes during the first quarter of 2011, compared to the preceding quarter (Chart 2.4). The lower production was mostly reflected in the production of onions, carrots, watermelons, spanspeck and butternuts. This was expected with the peak season for these being during the fourth quarter of each year. On a yearly basis, production declined by 31.7 per cent from 8 044 tonnes. This annual decline was mainly recorded in the production of potatoes, cabbage, butternuts and beetroot. High rainfall recorded during the first quarter of 2011 significantly affected the volumes produced of several crops and hence resulted in the lower production on an annual basis.

**Chart 2.4: Horticulture production**



Source: Namibia Agronomic Board

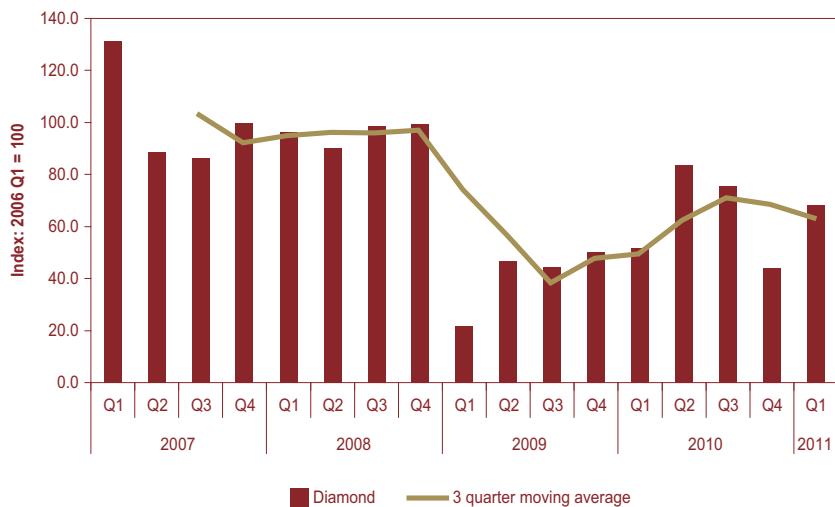
## Mining and quarrying

The performance of the mining and quarrying sector was relatively weak during the first quarter of 2011 when compared to the preceding quarter, with only diamond production gaining momentum. The weak performance was attributed to various operational issues experienced at some mining sites largely on account of heavy rainfall experienced during the reference period.

## Diamonds

During the first quarter of 2011, despite challenges<sup>6</sup> experienced, diamond production grew substantially by 54.9 per cent to 393 504 carats compared to the preceding quarter (Chart 2.5). Likewise, on a yearly basis, Namibia's diamond production grew by 32.4 per cent over the same period. The growth observed both on a quarterly and annual basis was driven by high global demand for diamonds.

**Chart 2.5: Diamond production**

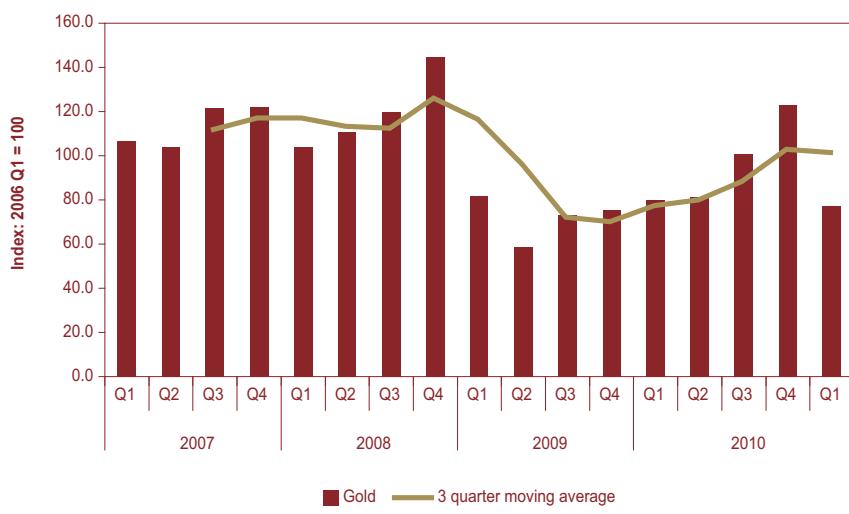


Source: Namdeb

## Gold

Namibia's gold bullion production declined significantly by 36.9 per cent to 540 kg during the first quarter of 2011 when compared to the previous quarter (Chart 2.6). Similarly, year-on-year, gold bullion production was slightly lower by 3.0 per cent, when compared to the first quarter of the previous year. Operational challenges due to heavy rainfall experienced during the first quarter of 2011 were mainly responsible for both the quarterly and annual declines recorded in gold bullion production.

**Chart 2.6: Gold bullion production**



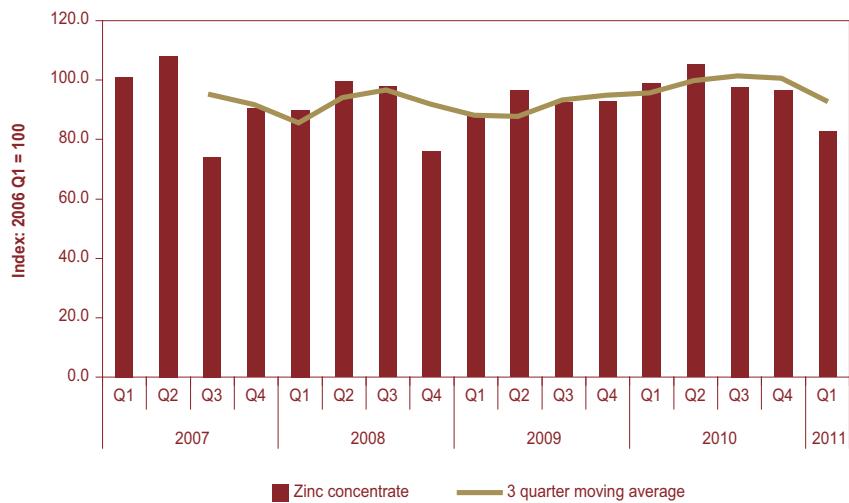
Source: Navachab Mine

<sup>6</sup> The diamond industry experienced the closure of Pocket beaches, which are mining sites, due to depletion.

## Zinc concentrate

The production of zinc concentrate decreased by 14.4 per cent to 20 945 tonnes during the first quarter of 2011 compared to the preceding quarter (Chart 2.7). On an annual basis, production of zinc concentrate also declined by 16.5 per cent when compared to the same period in 2010, despite relatively good prices. At present, South Africa is the main consumer of Namibia's zinc concentrate and wet offloading areas at the destination slows delivery and consequently production. However, the conditions have improved with rainfall subsiding and zinc production will gain momentum, going forward.

**Chart 2.7: Production of zinc concentrate**

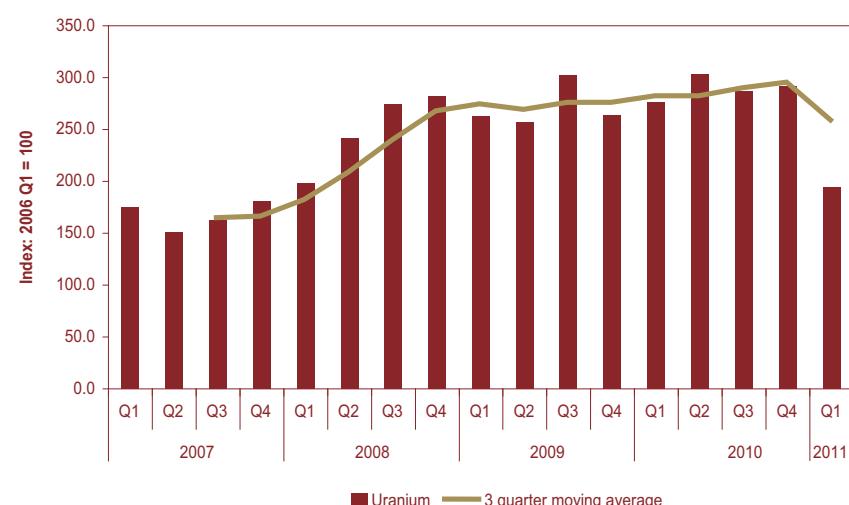


Source: Rosh Pinah Zinc Corporation

## Uranium

Uranium production in Namibia recorded a decline during the first quarter of 2011 compared to both the preceding quarter and the corresponding quarter of the previous year (Chart 2.8). In this regard, uranium production fell to 989 tonnes during the first quarter of 2011, which represents declines of 33.2 per cent and 29.4 per cent, on a quarterly and annual basis, respectively. Operational challenges linked to the relatively higher rainfall experienced in Namibia during the first quarter of 2011, were responsible for the declines. The nuclear disaster experienced by Japan during the reference period, had no direct impact on production levels as demand for clean energy remains.

**Chart 2.8: Uranium production**



Source: Rio Tinto and Langer Heinrich

## Mineral Exploration

During the first quarter of 2011, the number of Exclusive Prospecting Licenses (EPLs)<sup>7</sup> granted decreased by 17.3 per cent, quarter-on quarter, to 129 EPLs compared to the number of EPLs granted in the preceding quarter. The decrease was reflected in EPLs granted for precious stones, industrial minerals and semiprecious stones. On a yearly basis, however, the EPLs granted rose by 53.6 per cent from 84 EPLs granted in the corresponding quarter of the previous year. An increase in the number of EPLs granted for exploring base and rare metals, precious metals, nuclear fuel and non-nuclear fuel was largely responsible for this annual increase (Table 2.1).

**Table 2.1: Number of EPLs granted**

	2008		2009				2010				2011
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Base and rare metals	14	31	7	47	3	15	15	36	17	30	33
Industrial minerals	12	32	16	45	3	4	17	17	18	29	16
Dimension stone	6	17	2	18	1	4	3	2	8	7	6
Non-nuclear fuel	3	9	2	6	1	0	7	0	4	9	14
Nuclear fuel	2	0	2	11	0	3	7	4	4	12	15
Precious metals	14	29	7	42	1	11	16	32	15	30	33
Precious stones	13	16	7	30	4	7	13	14	17	30	8
Semi-precious stones	0	8	1	12	1	3	6	0	11	9	4
<b>Total</b>	<b>64</b>	<b>142</b>	<b>44</b>	<b>211</b>	<b>14</b>	<b>47</b>	<b>84</b>	<b>105</b>	<b>94</b>	<b>156</b>	<b>129</b>

Source: Ministry of Mines and Energy

During the first quarter of 2011, the Ministry of Mines and Energy granted two mining licences, the same as in the previous quarter. The licences granted during the reference period were in the categories base and rare metal and precious stones, unlike in the previous quarter when these categories were industrial minerals and dimension stones.

## Secondary Industry

### Manufacturing

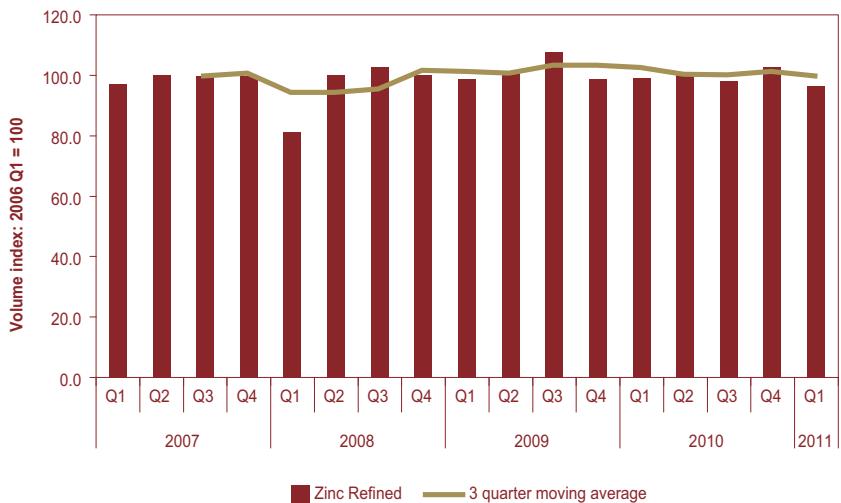
The performance of the manufacturing sector was fairly weak during the first quarter of 2011. This was also in line with Simonis Storm Securities' manufacturing survey for the first quarter of 2011 which recorded low production volumes during the same period. In this regard, production of refined zinc, beer and soft drinks declined, while that of blister copper rose during the quarter under review. Similarly, on a yearly basis the available indicators in the manufacturing sector mirrored the quarterly weak performance.

### Refined zinc

Refined zinc production decreased by 6.3 per cent to 36 467 tonnes during the first quarter of 2011 compared to the previous quarter (Chart 2.9). Similarly, year-on-year, the production of refined zinc declined by 2.8 per cent compared to the corresponding quarter of 2010. The quarterly and yearly declines were mainly attributed to low ore grade extracted during the first quarter of 2011 compared to the preceding quarter. Despite these declines, the price of zinc is still favourable mostly due to sustained demand of base metals from China and India to support the expansion of their manufacturing sectors. In this regard, prospects for refined zinc production will remain favourable.

<sup>7</sup> Issuance of EPLs show the intended investment in the local economy and this is only realized if the company issued with the license gets a mining license and becomes operational.

**Chart 2.9: Refined zinc production**

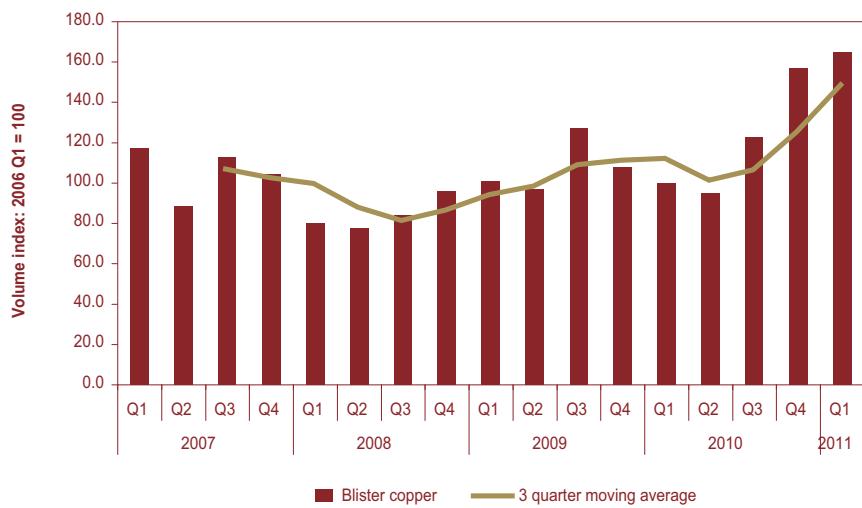


Source: NamZinc

### Blister copper

The production of blister copper rose by 5.1 per cent and 64.9 per cent, respectively, to 8 037 tonnes during the first quarter of 2011, on a quarterly and yearly basis, (Chart 2.10). These increases were mainly attributed to sustained import of copper concentrate from abroad for smelting purposes. Furthermore, the continued enhancement in the production technology emanating from the commissioning of the oxygen plant in early 2010 significantly boosted the level of production on a yearly basis. Going forward, favourable copper prices caused by high global demand could continue to boost the production of blister copper, mainly to support the on-going expansions in the emerging economies.

**Chart 2.10: Blister copper production**

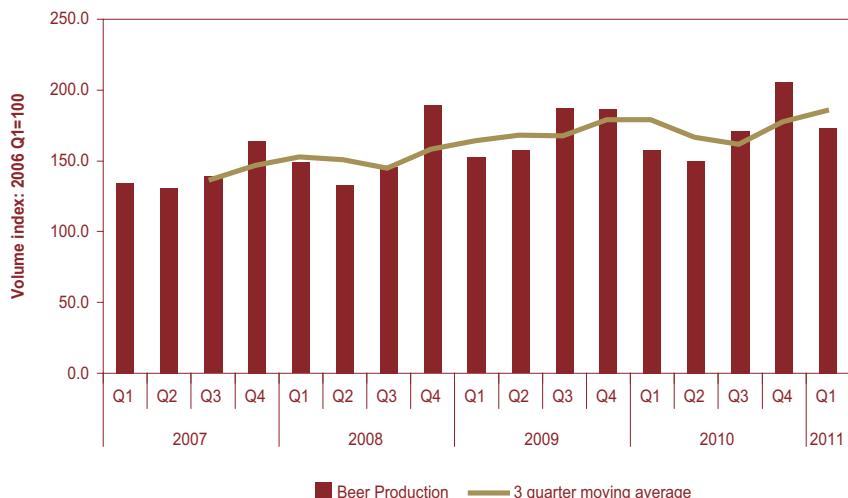


Source: Namibia Customs Smelter

### Beer and soft drinks

The production of beer decreased by 16.0 per cent during the first quarter of 2011 compared to the preceding quarter (Chart 2.11). The decline could mainly be attributed to seasonal factors since the preceding quarter is usually associated with high household spending due to the festive season. However, on a yearly basis the production of beer rose by 9.7 per cent. The yearly increase could be explained by the rebranding of Windhoek Draught into the 750ml returnable bottle as well as growth in exports by penetrating into new markets.

**Chart 2.11: Production of beer**



Source: Namibia Breweries and Camelthorn Brewing

Equally, the production of soft drinks decreased by 37.7 per cent during the first quarter of 2011 compared to the preceding quarter (Chart 2.12). This decline was also ascribed to seasonal factors as mentioned earlier under beer production. On a yearly basis, the production of soft drinks fell by 20.9 per cent compared to the corresponding quarter of 2010. This yearly decline was attributed to heavy rainfall experienced in some parts of Namibia, which negatively affected distribution channels and sales volumes, thereby reducing production.

**Chart 2.12: Production of soft drinks**

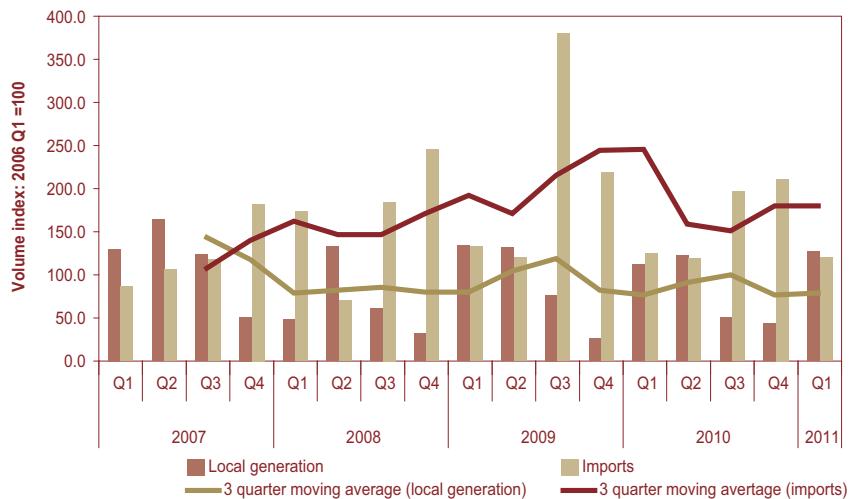


Source: Namibia Breweries and Namibia Beverages

## Electricity

Quarter-on-quarter, locally generated electricity rose significantly by 190.2 per cent during the first quarter of 2011 (Chart 2.13(a)). This increase led to the decline in imports of electricity by 42.2 per cent over the same period. Equally, on an annual basis, the generation of electricity surged by 12.5 per cent, while imported electricity decreased by 3.0 per cent. The increase in local generated electricity, both quarter-on-quarter and year-on-year was attributed to good water inflow in the Kunene River at the Ruacana Hydro Power station.

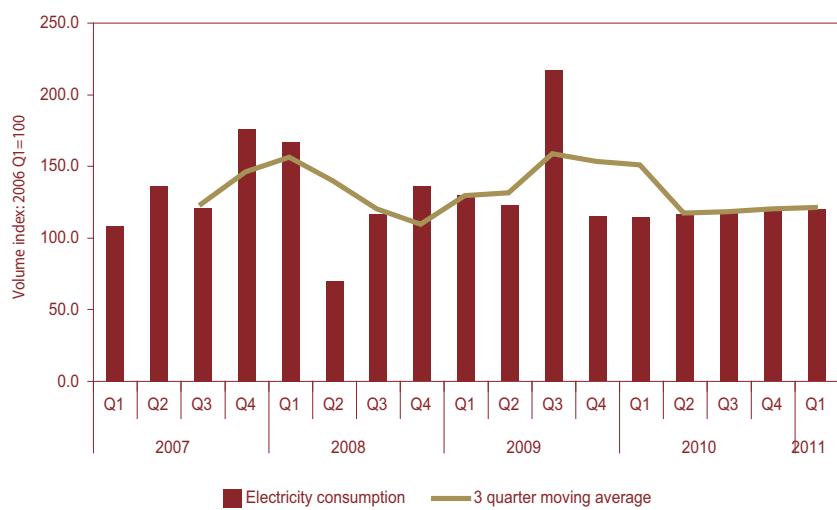
**Chart 2.13(a): Electricity Production**



Source: NamPower

In line with electricity generation, the consumption of electricity rose slightly by 0.1 per cent during the first quarter of 2011, quarter-on-quarter (Chart 2.13(b)). Likewise, on a yearly basis, the consumption of electricity rose by 4.7 per cent. The yearly rise was a result of improved demand when compared to the corresponding quarter in 2010. On the other hand, good rainfall experienced during the first quarter of 2011 has boosted local generation capacity, resulting into reduced imported electricity volumes.

**Chart 2.13(b): Electricity consumption**



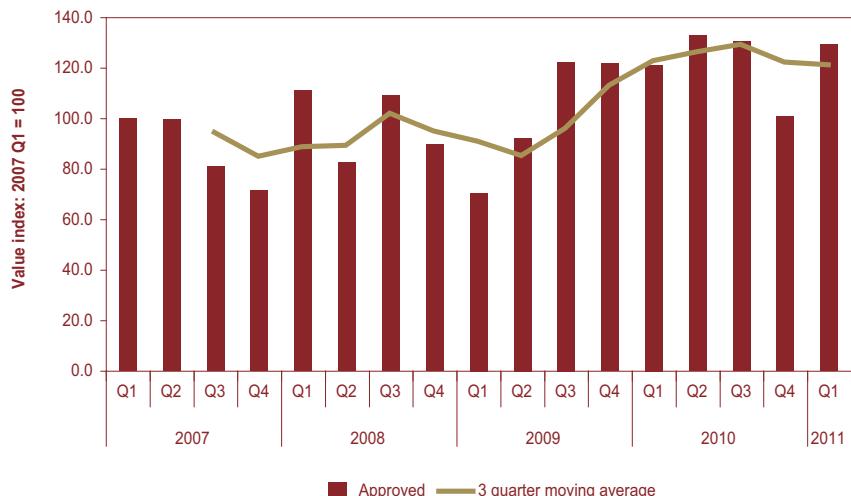
Source: NamPower

## Construction<sup>8</sup>

The activities in the construction sector performed fairly weak during the first quarter of 2011, due to the total value of buildings completed, which decreased both quarter-on-quarter and year-on-year. Going forward, however, the activities in the construction sector are expected to improve as reflected in the increased value of building plans approved.

<sup>8</sup> Data is collected from selected municipalities and town councils on new buildings plans approved and building completed, including additions and alterations of residential, institutions, industrial and commercial buildings.

**Chart 2.14: Building plans approved**

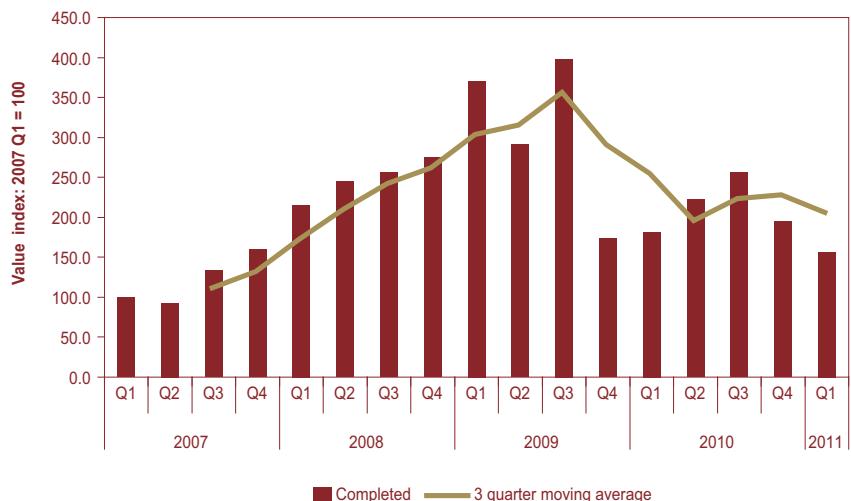


Source: Various municipalities and towns councils

The total value of building plans approved rose significantly by 28.2 per cent to N\$536.1 million, during the first quarter of 2011, quarter-on-quarter, (Chart 2.14). The rise was driven by an increase in the number of building plans approved for residential properties including additions and alterations to residential properties in Windhoek and Rundu. In addition, commercial properties in Windhoek have also contributed to the quarterly increase. The value of building plans approved improved by 6.6 per cent from N\$503.1 million compared to the corresponding quarter of 2010. This was mainly driven by an increased number of additions and alterations to residential properties in Windhoek, Walvis Bay and Rundu. An increase in the value of building plans approved for industrial and residential properties in Ongwediva has also contributed to this increase.

On the other hand, the value of buildings completed during the first quarter of 2011 decreased by 19.9 per cent to N\$168.7 million compared to the preceding quarter (Chart 2.15). The decline was recorded in the number of buildings completed in various property categories such as residential, commercial, and industrial and institutional in Windhoek, Walvis Bay, Swakopmund and Ongwediva. Similarly, on a yearly basis, the value of buildings completed fell by 14.1 per cent. The decline was recorded in the number of buildings completed mostly in the commercial, residential, institutional and industrial categories, in Windhoek, Walvis Bay and Ongwediva. Heavy rainfall experienced during the first quarter of 2011 partly contributed to the decline in the value of buildings completed, both on a quarterly and yearly basis. In contrast, mortgage loans increased marginally both on a quarterly and yearly basis over the same period.

**Chart 2.15: Buildings completed**



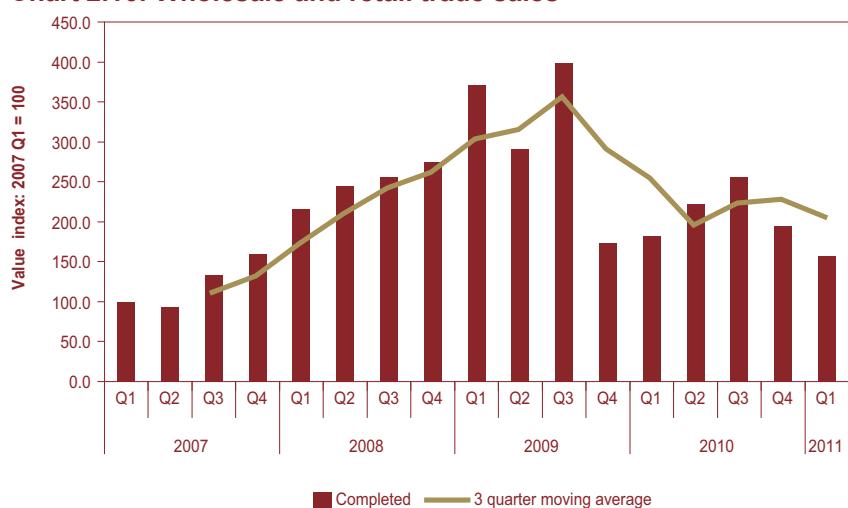
Source: Various municipalities and towns councils

## Tertiary Industry

### Wholesale and retail trade<sup>9</sup>

The wholesale and retail trade real turnover decreased by 6.7 per cent, quarter-on-quarter, to N\$2.3 billion during the first quarter of 2011 (Chart 2.16). This slowdown was reflected in the declined revenue for clothing, furniture and supermarket categories of retail trade as well as wholesale trade, while that of vehicles sold increased. The decline in quarterly sales was a normal phenomenon from the usual peak of festive sales recorded during the fourth quarter of each year. However, on a yearly basis, wholesale and retail trade revenue improved by 6.5 per cent during the first quarter of 2011. The annual increase was reflected in the revenue of vehicles sold, furniture, supermarkets, while that of clothing and wholesale trade declined over the same period. The increase was on account of sustained consumer demand, supported by more accommodative macroeconomic policies.

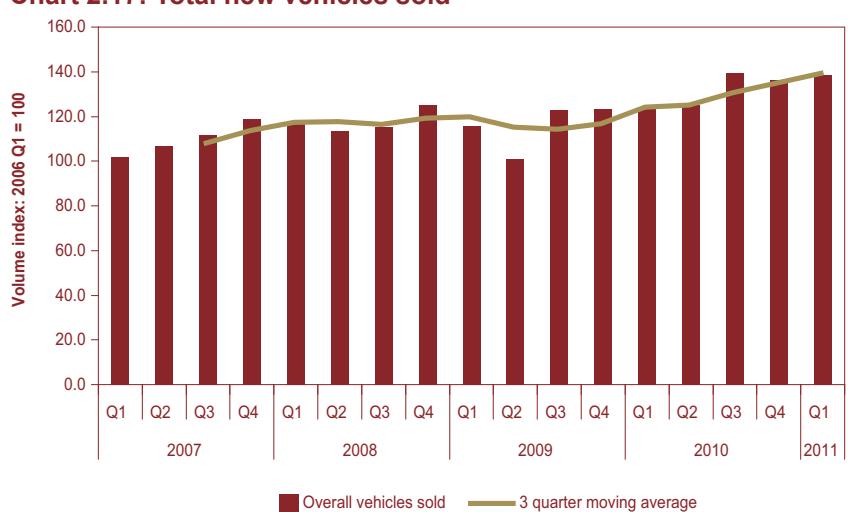
**Chart 2.16: Wholesale and retail trade sales**



### Vehicle sales

New vehicles sold during the first quarter of 2011 rose slightly by 1.6 per cent to 2 986 units compared to the preceding quarter (Chart 2.17). This increase was led by the rise in the number of passenger vehicles sold, while the number of commercial vehicles sold declined. On a yearly basis, new vehicles sold also rose by 12.3 per cent from 2 658 units during the first quarter of 2010, led by both passenger and commercial vehicles. The upward movement in the number of vehicles sold was in line with the improved instalment credit, which accelerated both on a quarterly and yearly basis during the period under review. The improved demand for vehicles could be ascribed to the prevailing low interest rate environment.

**Chart 2.17: Total new vehicles sold**

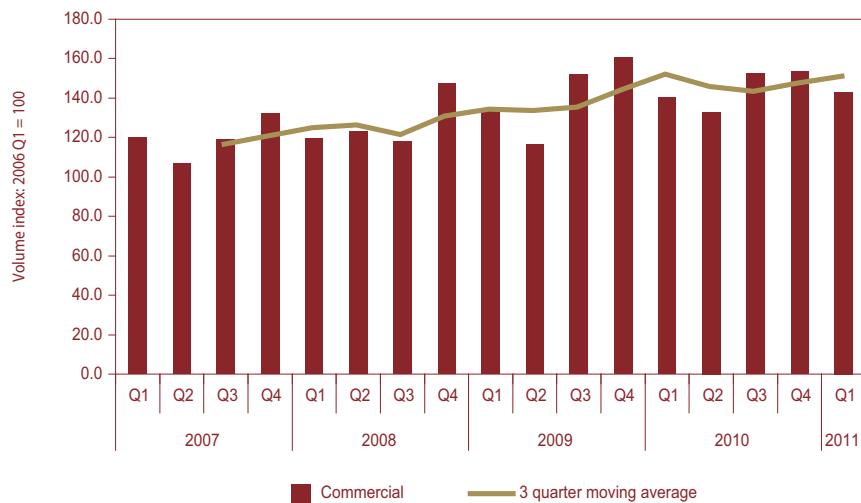


Source: Simonis Storm Securities

<sup>9</sup> The data are deflated by Namibia Consumer Price Index (NCPI) (Dec.2001 = 100)

The number of new commercial vehicles sold declined by 7.0 per cent during the first quarter of 2011, as reflected in both light and heavy commercial vehicle categories (Chart 2.18(a)). However, the number of medium commercial vehicles remained constant over the same period. The decline in the overall new commercial vehicles sold was due to a high base recorded in the fourth quarter of 2010 driven by Government procurement.<sup>10</sup> On a yearly basis, new commercial vehicles sold increased slightly by 1.9 per cent. The increase was mainly reflected in the number of heavy commercial vehicles.

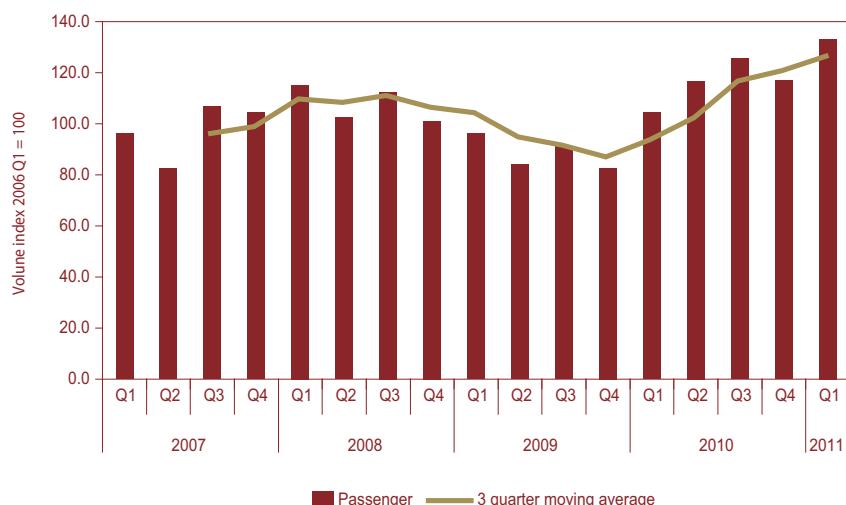
**Chart 2.18(a): Commercial vehicles sold**



Source: Simonis Storm Securities

New passenger vehicles sold rose both, quarter-on-quarter and year-on-year by 13.8 per cent and 27.5 per cent, respectively during the first quarter of 2011 (Chart 2.18(b)). This increase could be attributed to improved consumption demand for passenger vehicles supported by a favourable interest rate environment.

**Chart 2.18(b): Passenger vehicles sold**



Source: Simonis Storm Securities

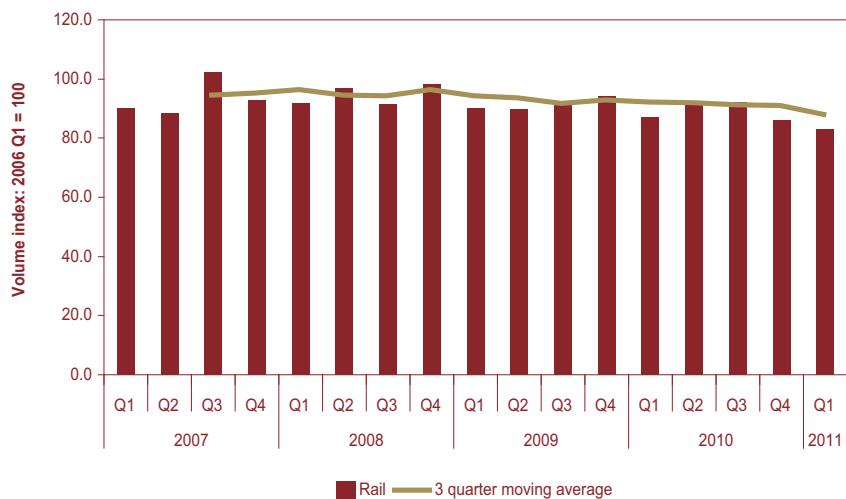
<sup>10</sup> Government purchasing of vehicle fleets usually boosts sales volume for that specific period.

## Transport

### Land transport

Activities in land transportation slowed during the first quarter of 2011 as compared to the preceding quarter. Limited space available for containers at the container terminal at the port of Walvis Bay due to dredging activities partly contributed to the decline. In this regard, rail and road cargo decreased by 3.5 per cent and 24.5 per cent, respectively (Charts 2.19(a) and (b)). The decline in the first quarter was due to low cargo volumes as compared to cargo volumes recorded in the fourth quarter. Further, the decline in the first quarter of 2011 was compounded by the heavy rainfall experience during the quarter, which caused obstructions or damage to both railway lines and roads.

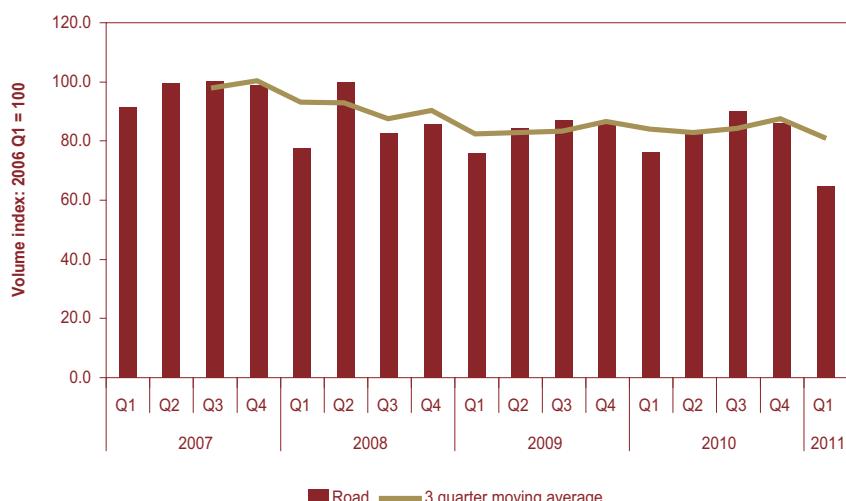
**Chart 2.19(a): Rail freight**



Source: TransNamib

On a yearly basis, cargo volume handled by rail and road declined by 4.8 per cent and 14.9 per cent, respectively, for the same reason stated above. Going forward, cargo volumes is expected to normalise during the remainder of the year from the usual low base during the first quarter of each year.

**Chart 2.19(b): Road freight**

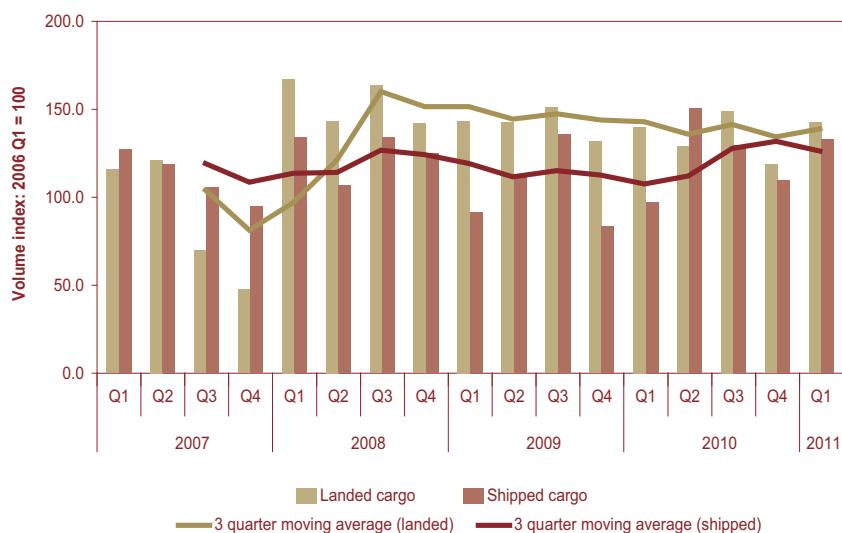


Source: TransNamib

## Water transport

Total cargo volumes handled via the harbours of Walvis Bay and Lüderitz rose during the first quarter of 2011 compared to the previous quarter. The increase was reflected in both landed and shipped cargo volumes, whereas transhipped volumes declined. Total landed cargo volumes grew by 20.4 per cent to 741 811 tonnes during the first quarter of 2011, on a quarterly basis (Chart 2.20 (a)). The increase was attributed to the imports of wheat, coal as well as vehicles destined for neighbouring countries. Fish landed has also contributed to this increase. On a yearly basis, landed cargo rose slightly by 1.9 per cent during the period under review. Similarly, shipped cargo increased by 20.7 per cent and 36.5 per cent to 404 112 tonnes during the first quarter of 2011 on both a quarterly and yearly basis, respectively. This increase was mainly attributed to export of fish and fish products, manganese, salt and fluorspar.

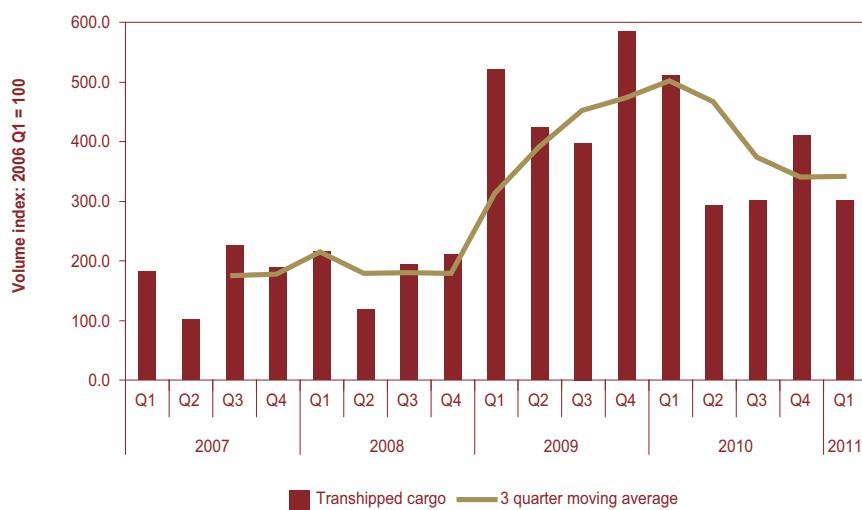
**Chart 2.20 (a): Landed and shipped cargo**



Source: NamPort

On the transhipping front, cargo volumes decreased by 26.8 per cent and 41.3 per cent to 179 968 tonnes during the first quarter of 2011 on a quarterly and yearly basis, respectively (Chart 2.20(b)). Improved port facilities in Angola have mainly attributed to the decline in transhipped cargo via Namibia.

**Chart 2.20 (b): Transhipped cargo**

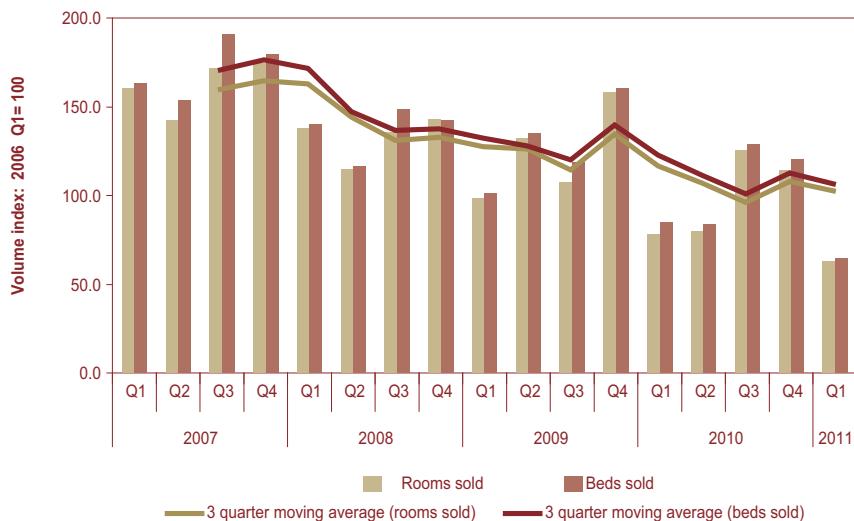


Source: NamPort

## Tourism

The performance of the tourism sector during the first quarter of 2011 was fairly weak. Most key indicators, such as room occupancy and beds sold decreased remarkably by 44.7 per cent and 46.2 per cent, respectively, on a quarterly basis (Chart 2.21). The decline could be explained by seasonal factors, as it is usually a low season for international tourists in the first quarter and thus, negatively affected room occupancies. Similarly, on a yearly basis, room occupancy and beds sold<sup>11</sup> declined by 19.5 per cent and 23.7 per cent, respectively for the same reasons stated above.

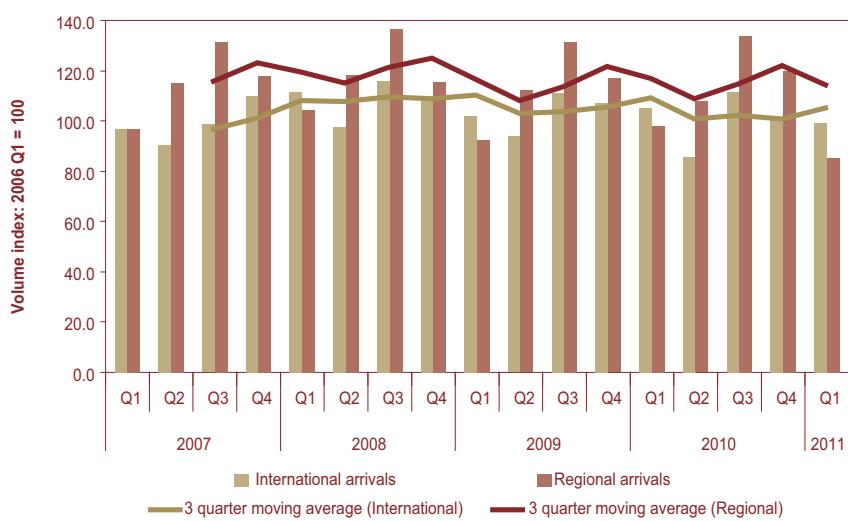
**Chart 2.21: Hotel rooms and beds sold**



Source: Hospitality Association of Namibia

The number of passengers arriving by air declined during the first quarter of 2011 compared to the preceding quarter. International and regional passenger arrivals decreased by 1.1 per cent and 28.9 per cent to 30 379 and 44 584 respectively, (Chart 2.22). Seasonality played a role in the decline, since the first two months of the first quarter are usually associated with low volumes of passenger arrivals by air, especially from within the Southern Africa region. Similarly, on a yearly basis, both the number of international and regional passengers arriving by air fell by 5.5 per cent and 13.0 per cent, respectively. The decline could be attributed to slow global economic recovery coupled with the appreciation of the Namibia Dollar against major currencies.

**Chart 2.22: International and regional air traffic passenger arrivals**

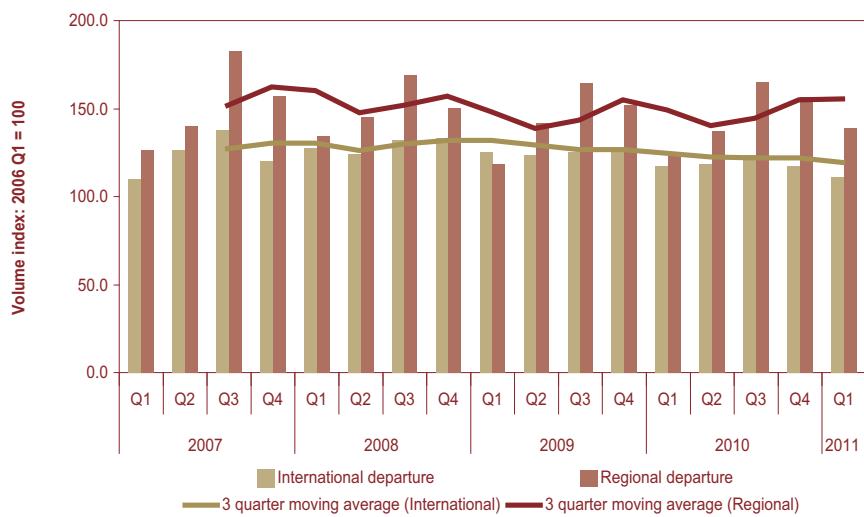


Source: Namibia Airports Company

<sup>11</sup> This data should, however, be treated with caution due to the response rate from some data providers.

The number of passengers departing by air also decreased by 11.3 per cent to 83 330 during the first quarter of 2011 compared to the preceding quarter. The decline in departures mirrored that of arrivals as alluded to earlier. This decline was reflected on both passengers departing for regional and international destinations. In this connection, regional and international departures decreased by 5.1 per cent and 11.3 per cent in the first quarter to 27 329 and 56 001, respectively (Chart 2.23). However, on a yearly basis, the volume of passengers departing for regional destinations rose by 11.0 per cent, while those departing for international destinations declined by 5.1 per cent.

**Chart 2.23: International and regional air traffic passenger departure**

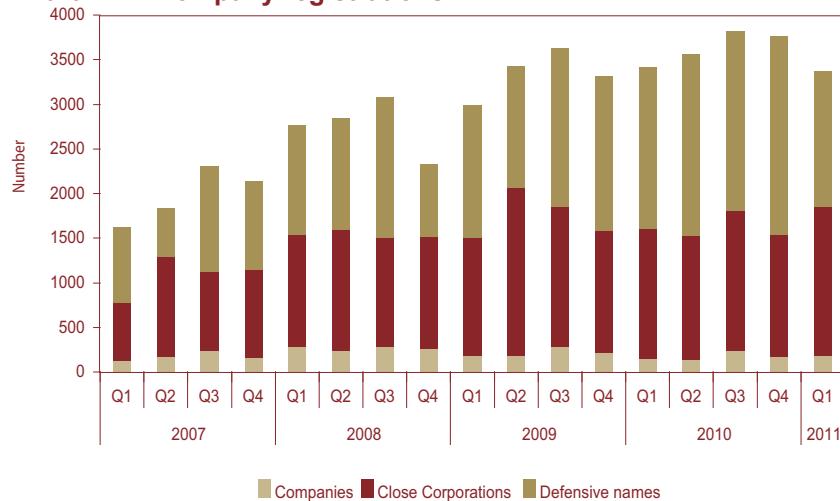


Source: Namibia Airports Company

## Company registrations

The new number of businesses registered decreased by 10.3 per cent during the first quarter of 2011 compared to the previous quarter (Chart 2.24). The decrease was caused by a substantial decline of 31.8 per cent in the registration of defensive names. On the other hand, both categories of companies (Pty Ltd) and Close Corporations rose by 9.5 per cent and 22.5 per cent although these increases were not significant enough to offset the overall decline in the number of businesses registered. The decline was in line with the IJG Business Climate Index for the first quarter of 2011, which declined by 0.8 index points. Similarly, on a yearly basis, the number of businesses registered decreased by 1.5 per cent, driven by defensive names, while those for companies (Pty Ltd) and close corporates rose compared to the previous year.

**Chart 2.24: Company registrations**

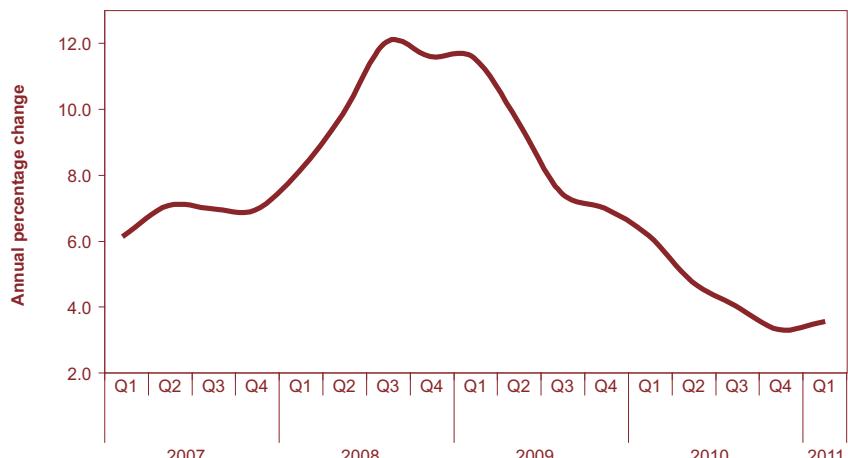


Source: Ministry of Trade and Industry

## PRICE DEVELOPMENTS

Namibia's annual inflation for all items accelerated to 3.5 per cent during the first quarter of 2011 after hitting a five-year low of 3.2 per cent during the preceding quarter. The 3.5 per cent was 0.3 per cent higher than the corresponding rate for the fourth quarter of 2010 (Chart 2.25). This was, however, substantially lower than the 6.1 per cent recorded during the first quarter of 2010. The rise in overall inflation during the first quarter of 2011 was attributed to the Namibia consumer price index (NCPI) categories such as *housing, water, electricity, gas and other fuels; health and recreation & culture*. These categories recorded significantly higher inflation rates during the first quarter of 2011 compared to their corresponding rates for the previous quarter.

**Chart 2.25: Overall inflation**



Source: CBS

### Inflation for housing, water, electricity, gas and other fuels

Annual inflation for *housing, water, electricity, gas and other fuels* averaged 10.8 per cent during the first quarter of 2011, up from 6.2 per cent in the previous quarter (Table 2.2). The rise in inflation for this category came from the *rental payments for dwelling* sub-category, which recorded an average inflation rate of 12.4 per cent during the first quarter of 2011, compared to 3.8 per cent recorded in the preceding quarter. High adjustments in house rent are in line with persistent excess demand for housing in major towns. The *housing, water, electricity, gas and other fuels* category accounts for 20.6 per cent of the NCPI basket and a substantial rise in its inflation contributed enormously to the overall inflation rate.

**Table 2.2: Housing, water, electricity, gas and other fuels**

	Weight	2009				2010				2011
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Housing, water, Electricity, Gas and other fuels</b>	<b>20.6</b>	<b>8.9</b>	<b>8.3</b>	<b>7.2</b>	<b>6.9</b>	<b>5.2</b>	<b>5.3</b>	<b>6.4</b>	<b>6.2</b>	<b>10.8</b>
Rental payments for dwelling	15.3	5.7	5.7	5.0	5.3	3.7	3.7	3.8	3.8	12.4
Regular maintenance and repair of dwelling	0.2	53.5	45.2	7.8	3.7	2.5	2.4	1.9	0.3	-0.7
Water supply, sewerage service and refuse collection	2.0	7.1	7.1	5.4	5.2	5.5	5.7	4.9	4.9	4.6
<b>Electricity gas and other fuels</b>	<b>3.1</b>	<b>12.5</b>	<b>10.5</b>	<b>12.2</b>	<b>10.7</b>	<b>10.0</b>	<b>10.3</b>	<b>10.7</b>	<b>10.1</b>	<b>10.7</b>

Source: CBS

## Health inflation

The annual inflation rate for *health* rose to 6.2 per cent during the first quarter of 2011, from 4.8 per cent in the previous quarter. The rise in health inflation was attributed to its sub-category of *outpatient services, medical, dental and paramedical*, of which rate accelerated to 11.1 per cent during the first quarter of 2011, from 5.3 per cent in the preceding quarter.

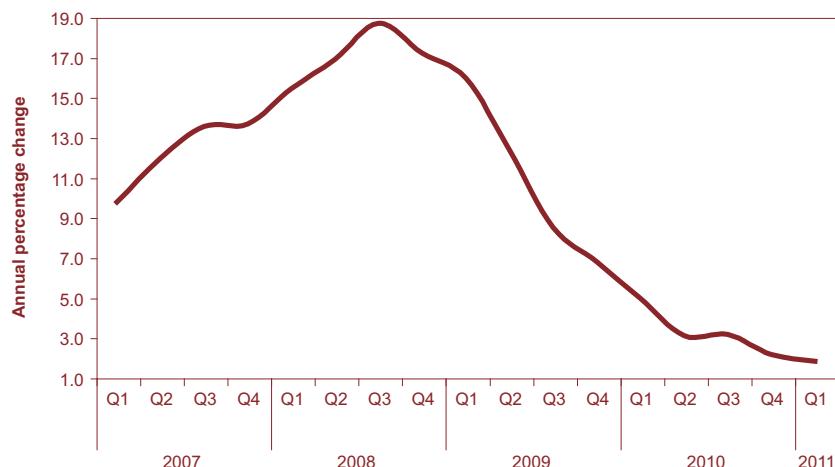
## Inflation for recreation and culture

The annual inflation rate for *recreation and culture* rose by 1.0 per centage point from the fourth quarter of 2010 to 2.8 per cent during the first quarter of 2011. The rise in the rate for recreation and culture was driven by *package holidays* and *other recreation items* sub-categories, for which inflation rates accelerated from negative rates of 10.5 and 0.4 per cent during the fourth quarter of 2010 to inflation rates of 2.4 and 1.7 per cent, respectively, during the first quarter of 2011.

## Inflation for food and non-alcoholic beverages

The annual inflation rate for *food and non-alcoholic beverages* averaged 1.8 per cent during the first quarter of 2011, which is slightly lower than the 2.1 per cent recorded for this category during the preceding quarter (Chart 2.26). Namibia being a net importer of food items, food inflation is influenced by developments in global food prices as well as transportation costs. During the period under review, international prices for both food and crude oil increased drastically<sup>12</sup>. The effect of an increase in international crude oil prices is transmitted to food prices through higher production costs as most food producers use fuel in their production processes. At the local level, food inflation remained subdued during this period, partly due to improved current and expected supply of food items in the Southern Africa region. It is worth mentioning that Namibia's food inflation tracks that of South Africa with a lag and hence started rising in April 2011.

**Chart 2.26: Inflation for food and non-alcoholic beverages**



Source: CBS

The *food* category recorded an average inflation rate of 1.8 per cent during the first quarter of 2011, which is slightly lower than the 2.0 per cent recorded in the previous quarter (Table 2.3). Reduced inflation rates for *bread and cereals; vegetables*, as well as for *milk, cheese & eggs*, contributed immensely to lower food inflation during the first quarter of 2011. Similarly, annual inflation for *non-alcoholic beverages* slowed to 2.8 per cent during the first quarter of 2011, from 3.8 per cent in the previous quarter. Despite the fact that food inflation remained low in the first quarter of 2011, there are signs that it has started to pick up i.e. food inflation rose to 4.3 per cent in April 2011 compared to 2.5 per cent in March 2011.

<sup>12</sup> According to the IMF online database, the annual inflation for food and beverages accelerated to 33.2 per cent during the first quarter of 2011, from 21.5 per cent in the preceding quarter. Over the same period, South Africa's annual inflation for food and non-alcoholic beverages also rose from 1.5 to 3.6 per cent.

**Table 2.3: Food and non-alcoholic beverages**

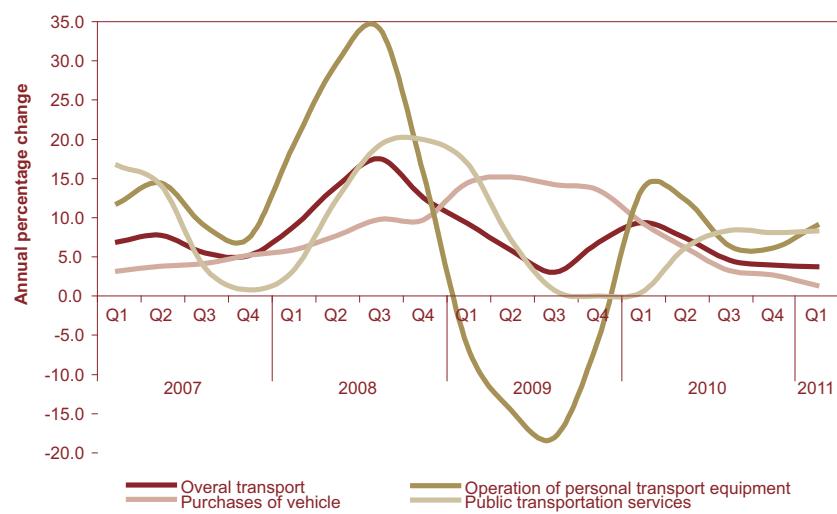
	Weight	2009				2010				2011
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Food and Non-alcoholic Beverages</b>	<b>29.6</b>	<b>15.9</b>	<b>12.3</b>	<b>8.4</b>	<b>6.7</b>	<b>4.9</b>	<b>3.0</b>	<b>3.1</b>	<b>2.1</b>	<b>1.8</b>
<b>Food</b>	<b>27.1</b>	<b>15.8</b>	<b>11.8</b>	<b>7.9</b>	<b>6.5</b>	<b>4.7</b>	<b>2.9</b>	<b>3.1</b>	<b>2.0</b>	<b>1.8</b>
Bread and cereals	8.7	14.0	6.1	7.0	3.5	3.9	3.0	0.3	2.6	-0.3
Meat	7.6	15.1	11.9	6.6	2.8	0.7	1.1	3.4	3.7	7.0
Fish	0.9	15.1	15.0	10.1	6.5	4.1	3.0	1.1	1.7	2.8
Milk, cheese & eggs	3.3	14.0	12.6	2.8	6.1	7.4	2.8	0.8	-1.7	-3.7
Oils and fats	1.0	18.0	4.5	-5.2	-7.4	-6.2	-2.7	0.0	1.3	5.8
Fruit	1.1	19.2	17.9	13.8	14.8	6.9	5.5	4.6	5.9	5.7
Vegetables	2.9	19.0	18.4	13.7	18.8	5.9	2.2	14.0	-1.0	-0.2
Sugar, jam, honey syrups etc.	1.8	11.3	13.4	11.0	8.1	8.8	4.1	-1.3	-1.0	1.3
Food products	0.7	15.5	14.6	13.2	10.9	9.4	7.0	5.1	3.3	4.1
<b>Non-alcoholic beverages</b>	<b>2.5</b>	<b>17.6</b>	<b>19.0</b>	<b>16.4</b>	<b>10.1</b>	<b>8.2</b>	<b>5.2</b>	<b>3.1</b>	<b>3.8</b>	<b>2.8</b>
Coffee, tea, and cocoa	0.7	21.6	29.1	24.0	16.9	13.0	2.2	-1.3	-1.2	-1.2
Mineral waters, soft drinks & juices	1.8	15.2	13.8	12.3	6.6	5.6	5.8	4.4	5.4	4.3

Source: CBS

## Transport inflation

The annual inflation for *transport* slowed slightly to 3.5 per cent in the first quarter of 2011, from 3.7 per cent in the previous quarter (Chart 2.27). The moderation in transport inflation, although marginal, was attributed to relatively smaller upward price adjustments in vehicle prices. The *purCHASES OF VEHICLES* sub-category, which accounts for about 69.0 per cent of the transport category, recorded an average inflation rate of 1.1 per cent during the first quarter of 2011, which is lower than the 2.4 per cent for the previous quarter. Over the same period, annual inflation for the *operation of personal transport equipment* sub-category, rose to 8.7 per cent from 5.8 per cent in the previous quarter, mainly reflecting increased prices for petrol and diesel. The *transport* inflation of 3.5 per cent is clearly lower than 9.1 per cent recorded for the first quarter of 2010.

**Chart 2.27: Transport inflation**

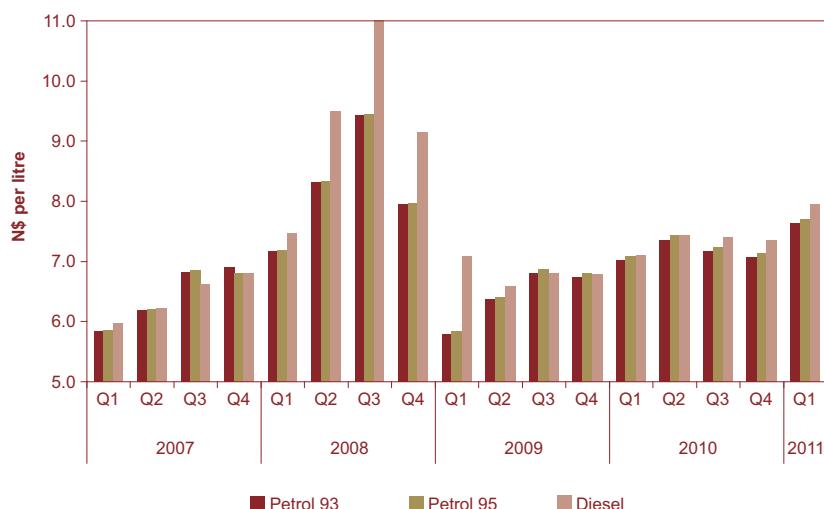


Source: CBS

Domestic pump prices were increased every month during the first quarter of 2011 on account of rising costs of importing fuel (Chart 2.28). On a weighted average basis<sup>13</sup>, the pump prices for petrol and diesel at Walvis Bay increased by 8.1 per cent between the fourth quarter of 2010 and the first quarter of 2011. Over the same period, the IMF index of crude oil prices<sup>14</sup> rose by 11.2 per cent, while the Namibia Dollar depreciated slightly against the US Dollar. These developments have an impact of increasing the costs of purchasing and transporting fuel to Namibia. International oil markets were negatively affected by political uprisings in North Africa and Middle East as well as speculation, causing oil prices to rise.

Increases in domestic pump prices have been kept relatively stable compared to changes in international oil prices and this was in line with the Government's arrangement of smoothing out fuel prices. Consequently, Government paid out over N\$148.0 million during the first quarter of 2011 in order to subsidise fuel in the short-term. At the end of May 2011, coastal pump price levels stood at N\$8.92 per litre for petrol 93, N\$8.99 per litre for petrol 95 and N\$9.40 per litre for diesel. The Government, however, kept price levels unchanged in June 2011.

**Chart 2.28: Coastal pump prices**



Source: Ministry of Mines and Energy

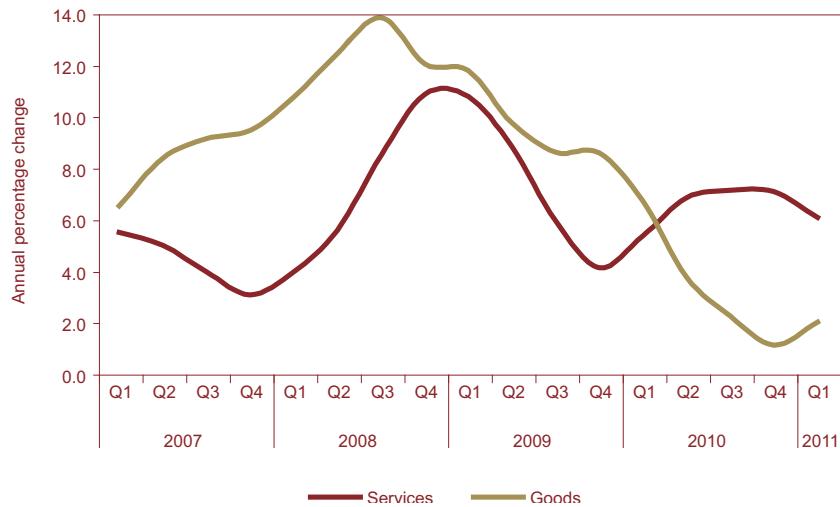
## Goods and services inflation

Annual inflation for goods averaged 2.0 per cent during the first quarter of 2011, which is relatively higher when compared to 1.1 per cent recorded in the previous quarter. The 2.0 per cent is, however, substantially lower than 6.7 per cent recorded during the first quarter of 2010 (Chart 2.29). During the twelve-month period from the first quarter of 2010 to the first quarter of 2011, goods inflation fell by 4.7 percentage points.

In contrast, services inflation slowed to average 6.0 per cent during the first quarter of 2011, which is 1.0 per cent point lower than the corresponding rate recorded in the previous quarter (Chart 2.29). The 6.0 per cent is, however, higher than 5.3 per cent recorded during the corresponding period a year ago. During the twelve-month period from the first quarter of 2010 to the first quarter of 2011, services inflation rose by 0.7 percentage point.

<sup>13</sup> The proportion of volumes traded for petrol 93, petrol 95 and diesel were used as weights.  
<sup>14</sup> Referring to an average price of U.K. Brent, Dubai, and West Texas Intermediate

**Chart 2.29: Goods and services inflation**

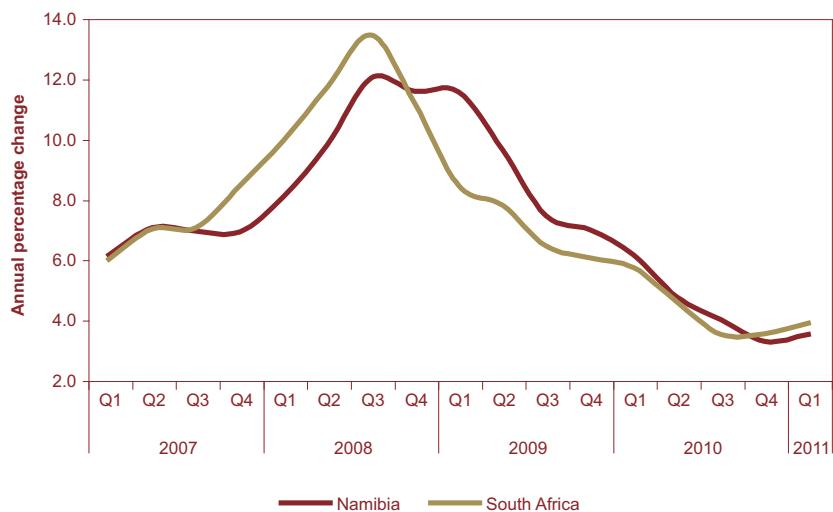


Source: CBS

### Namibia's Inflation vs. South Africa's Inflation

Namibia's inflation tracks South Africa's inflation, mainly due to the fact that over 60.0 per cent of the former's inflation is imported from South Africa, which is its biggest trading partner (Chart 2.30). Namibia's inflation fell below that of South Africa during the fourth quarter of 2010 and the first quarter of 2011 for the first time since the third quarter of 2008, while the difference between the two inflation rates remained in the range of 0.2 to 0.5 percentage point since the first quarter of 2010. During the first quarter of 2011, Namibia's inflation averaged 3.5 per cent compared to South Africa's 3.8 per cent. However, annual inflation rates for April 2011 suggest that inflation rates in Namibia are starting to accelerate faster than those of South Africa, recording 4.8 per cent and 4.2 per cent, respectively.

**Chart 2.30: Namibian inflation vs. South African inflation**



Sources: CBS and Statssa

## Box 1: The impact of the political turmoil in North Africa (Libya) and Middle East on crude oil prices and implications on Namibia

### 1. Introduction

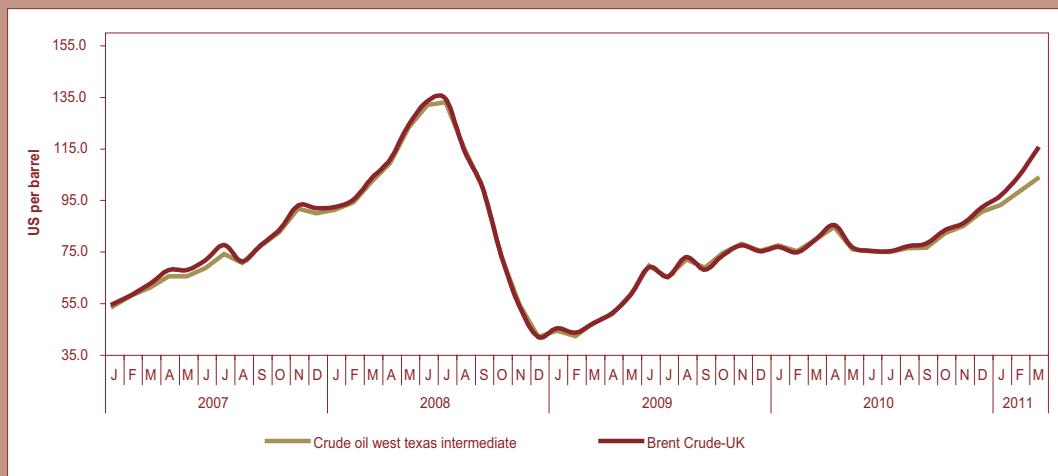
This article highlights the effects of the political turmoil in the MENA region on the international crude oil prices and assesses implications for the global and the Namibian economy. It analyses the trend in oil prices since the turmoil and examines the potential impact on the global and the Namibian economy with particular reference to domestic petrol prices, consumer inflation as well as the exchange rate.

### 2. Trend in crude oil prices since the Middle East and North African political turmoil

With the spread of the political unrest from Tunisia and Egypt to Libya, the price of Brent crude oil reached US\$144.44 in March 2011, while that of WTI<sup>15</sup> reached a level of US\$102.92 during the same month (Figure 1). Before the onset of the political crisis in Libya (i.e. at the end of January 2011), the price of Brent crude oil was about US\$91.8 a barrel, while that of WTI averaged US\$90.1 during the same period. Political unrest and rebellion in Libya led to an increase in crude oil prices, as the country produces high-quality light, sweet crude oil that contains little sulphur. Libya produces 1.6 million barrels of oil per day and accounts for 2.2 per cent of global oil output and 2.0 per cent of world oil exports (Table 1).

Apart from the political crisis in Libya, global oil markets had been reacting to fears that unrest in Libya could spread to other bigger oil-producing countries, particularly Saudi Arabia. This sparked anxiety and increased speculation within the oil market, and possibly led to a rise in global oil prices. It is, however, encouraging to note that Saudi Arabia has increased its production by about 600,000 barrels a day in an attempt to offset the loss of Libyan supply which amounts to 44,000 barrels per day. According to the Ministry of Petroleum and Mineral Resource of Saudi Arabia, that country has spare capacity to produce an additional 3.5 million barrels a day.

**Figure 1: Crude Oil Prices**



Source: International Monetary Fund

Apart from Saudi Arabia, the US Government has 726 million barrels of oil stored in underground caverns around the Gulf Coast for use in emergencies, which would supply the US for 80 days. Besides, Europe also has adequate stock of oil in storage. Moreover, the United Arab Emirates, Iraq, Iran and Kuwait have also increased their productions to a level more than adequate to compensate for the decline in Libya's output. Oil market analysts therefore contend that the world would not need to turn to reserves simply because of declining oil exports from Libya.

<sup>15</sup> West Texas Intermediate (WTI), also known as Texas light sweet, is a type of crude oil used as a benchmark in oil pricing in the US market.

**Table 1: Contribution of selected countries to world oil production (in per cent)**

Country	Share in world oil production (%)
Saudi Arabia	11.80
Russia	12.00
United States	11.10
Iran	5.10
United Arab Emirates	3.40
Kuwait	3.00
Iraq	2.90
Algeria	2.60
Nigeria	2.70
Angola	2.40
Libya	2.20

Source: US Energy Information Administration

### 3. Potential Impact on the global economy

A pressing question in the minds of most analysts and policymakers is what will be the impact of high crude oil prices on global economic growth and inflation and ultimately on oil demand. Indeed, after a period of remarkable stability from October 2009 to September 2010 within a relatively narrow band, Brent crude oil prices have risen by approximately 50 per cent since then. This was due to very strong demand growth, especially during the fourth quarter of 2010 and, since early 2011 on increased regional geopolitical risk in the MENA region, embodied by Libya's supply outage. Empirically, past oil price shocks have shown a discernible effect on GDP. According to the Energy Information Administration Department of the US government, supply shocks tend to be felt just a few months thereafter, while demand shocks usually have an impact approximately a year later. This suggests that if prices remain at current levels or rise further, by September 2011 the global economy may feature a marked slowdown and -more so because it would coincide with expected fiscal tightening (and possibly monetary as well, if inflationary expectations become entrenched) in the world's largest economies. Unfortunately, estimating price impacts is particularly difficult, because many variables are at play, particularly oil intensity, consumer behaviour and the degree to which international prices are passed through to domestic consumers. Diverse econometric studies suggest that a 10.0 per cent increase in the price of oil could cut global GDP by anywhere between 0.2 and 0.7 per centage points after one year (and possibly by twice as much in the second year)<sup>16</sup>. This demonstrates considerable uncertainty for both economic growth and oil demand. According to the International Energy Agency, if the prices of about US\$120.0 a barrel are sustained, global GDP in 2011 could grow by between 1.0 and 3.5 per centage points below the IMF's projection of 4.4 per cent.

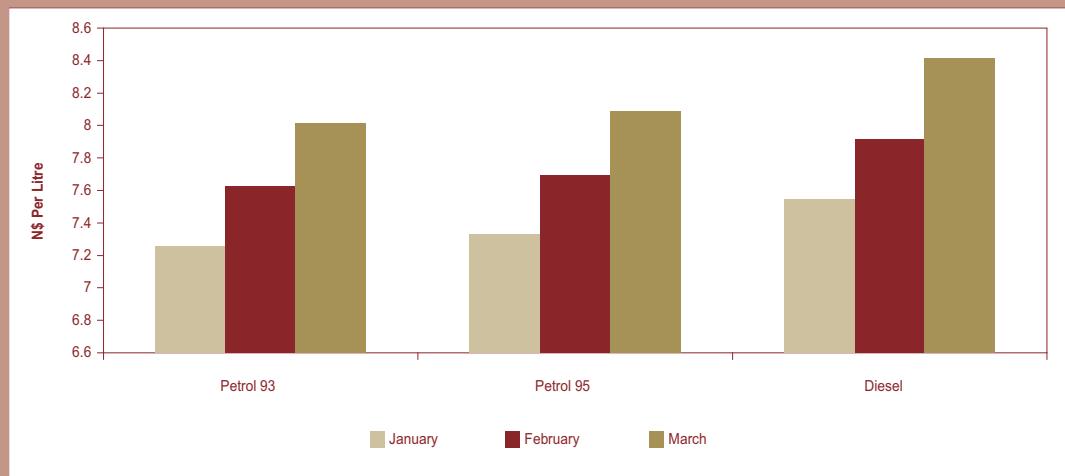
It should however, be noted that in February 2011, the IMF argued that the world economy can withstand the surge in oil prices sparked by unrest in the Middle East and North Africa as long as the increase proved to be short-lived. In this regard, it stated that it was unlikely that the increase in crude oil prices would make a substantial change in the global economic outlook and thus the growth forecast for the world economy remained unrevised at 4.4 per cent for 2011 during February. In April 2011, the IMF reviewed its stance on the global economic outlook stating that the recovery still remains fragile, uneven and surrounded by great uncertainty with growth in advanced economies remaining too low and unemployment too high. Apart from the impact of the increase in crude oil prices, other events that have contributed to the changed stance of the IMF were the earthquake in Japan as well as financial sector and sovereign debt problems in Europe.

<sup>16</sup> This information was obtained from the International Energy Agency Oil Market Report for March 2011.

#### 4. Impact on the Namibian economy and Fuel Prices

It can be argued that the continuing unrest in MENA and in particular Libya has led to the highest crude oil prices since 2008. The increase in crude oil prices has partly contributed to the adjustment of petrol prices in Namibia during February and March 2011, respectively (Figure 2).

**Figure 2: Fuel Prices in Namibia in 2011**



Source: Ministry of Mines and Energy

Looking ahead, if crude oil prices continue to rise, there is a possibility that the shocks to global oil prices can be transmitted to the domestic economy through the following channels: 1) higher input costs that could lead to an increase in the general price level of consumable goods; 2) A higher inflation environment which could result in higher wage demands and possibly trigger second-round effects on inflation; 3) Oil shocks could also lead to further increases in local fuel pump prices, transport inflation and overall inflation, thereby eroding the purchasing power of consumers.

Given that the effect of higher oil prices on domestic demand for fuel is inelastic in Namibia as consumers are not able to replace oil consumption with a close substitute, higher prices would certainly result in consumers spending more on petroleum products and spending less on non-oil goods. This will have a dampening effect on consumption and negatively influence economic growth. Producers within the agricultural, fishing and tourism sectors will be negatively affected by the high costs of fuel and their input costs will also rise, thereby increasing the costs of production. Such increases in input costs can also make some industries for example the fishing industry less competitive on the international markets.

In addition, a rising general price level as a result of high transport and food inflation, which would likely cause a second round effect, will leave the Bank of Namibia with no choice but to tighten monetary policy. Such a tightening could slow-down economic activity and growth. In this regard, it is important to note that a low inflation environment is necessary to obtain sustained growth and to be able to create jobs in an economy.

Since oil prices are quoted in US Dollars, a strengthening of exchange rate could act as a cushion against rising fuel prices. Therefore, it is expected that a rising Namibia Dollar will help offset rising prices. The Namibia Dollar has been relatively strong during 2010 against the US dollar, mostly as a result of higher capital inflows into South Africa. The local currency has on average appreciated against the major international currencies from February to April 2011 driven by firm commodity prices. If this trend continues, it would make the price of fuel imports cheaper and have a positive effect on consumers.

## 5. Conclusion

It can be concluded that political turmoil in the MENA region, in particular Libya has contributed to an increase in crude oil prices. In this regard, the prices of Brent crude oil increased to US\$144.44 in March 2011, while that of WTI reached a level of US\$102.92 during the same month. The increase in the international price of crude oil has therefore contributed to the increase in the local pump prices for petrol and diesel in Namibia during February and March 2011. If the upward trend in the international price of crude oil prices continues, it may be transmitted to the domestic economy through the following channels: higher input costs, resulting in an increase in the general price level of consumable goods. It is therefore, imperative that the Bank of Namibia will continue to monitor international crude oil prices and other macroeconomic variables and take the necessary policy measures as appropriate.



## MONETARY AND FINANCIAL DEVELOPMENTS

### CHANGES TO NAMIBIA'S MONETARY AND FINANCIAL STATISTICS (MFS)

This note serves to inform all our data users that the Monetary and Financial Statistics (MFS) published below includes the money market unit trusts (MMUs) as previously indicated and published in the Bank of Namibia Annual Report 2010. The inclusion of the MMUs' would bring Namibia in line with international standards, particularly with the IMF's Monetary and Financial Statistics Manual (MFSM). In this regard, the MFSM requires MMU's liabilities to be included in broad money (M2) due to their high liquidity status and stable value. Furthermore, this will enhance the quality of the data and allow analysis and comparisons of policies with other economies worldwide. The inclusion of MMUs starts from January 2009, and thus significant growth can be seen, especially during the first quarter of the same year.

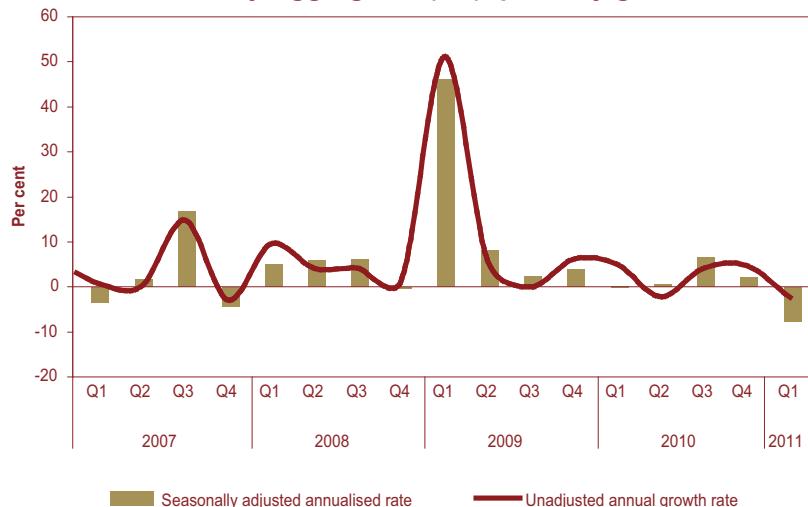
Following the inclusion of MMUs, M2 reached a level of N\$51.6 billion at the end of March 2011, when compared to N\$33.3 billion when MMUs were excluded, a clear indication that M2 was underestimated. The Bank of Namibia will continue surveying MMU's on a monthly basis and will include them in Namibia's monetary aggregates going forward.

The weak economic performance observed in the domestic economy as reported under the Real Sector section, is also mirrored in the monetary statistics. Both monetary and credit aggregates were subdued at the end of the first quarter of 2011. The contraction in the broadly defined money supply (M2) can be explained by the significant reduction in net foreign assets of the depository corporations. Domestic demand as reflected in private sector credit extended (PSCE) recorded a downward movement. The slowdown in PSCE is, however, expected to be a temporary phenomenon, due to the expected positive economic outlook coupled with the low interest rate environment which may imply further borrowing by economic agents. These developments were partly influenced by the lower overall liquidity level of the banking industry. With regard to the monetary policy stance, the Bank kept the Repurchase (repo) rate unchanged at 6.00 per cent.

#### Monetary Aggregates

Growth in (M2) contracted at the end of the first quarter of 2011, although it displayed tentative signs of bottoming up during the two last quarters of 2010 (Chart 3.1). The quarterly growth of seasonally unadjusted M2 contracted by 2.9 per cent amounting to N\$51.6 billion at the end of the first quarter of 2011 from N\$53.2 billion at the end of the preceding quarter of 2010. On an annual basis, the growth in M2 slowed to 1.8 per cent at the end of first quarter of 2011, from 15.3 per cent at the end of the corresponding quarter of 2010. Growth in M2 (seasonally adjusted) also recorded a negative growth of 7.7 per cent at the end of the first quarter of 2011 relative to the preceding quarter. The reduction in M2 was explained by a significant decline in net foreign assets of the depository corporations, which contracted by 9.0 per cent to N\$18.7 billion at the end of the first quarter of 2011.

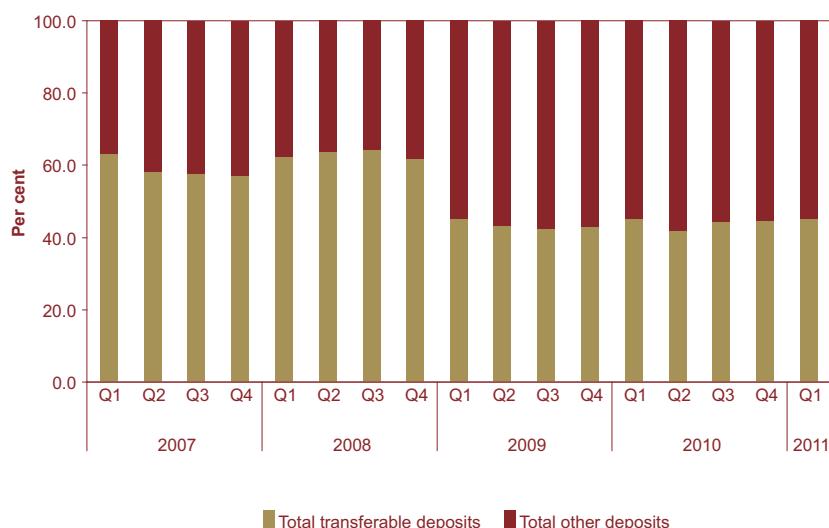
**Chart 3.1: Monetary Aggregates (M2) quarterly growth rates<sup>17</sup>**



## Components of Money Supply

Growth in transferable deposits contracted by 1.4 per cent resulting in N\$22.5 billion at the end of the quarter ending March 2011 from 4.2 per cent at the end of the preceding quarter. This contraction observed in transferable deposits can partially be explained by huge withdrawals by some state and local government institutions during March 2011. Other deposits similarly, contracted by 5.8 per cent to N\$27.4 billion at the end of the first quarter of 2011, compared to a growth of 4.0 per cent at the end of the fourth quarter of 2010. Conversely, currency in circulation was the only component of M2 which rose at the end of the period under review an indication of increased demand for cash reflecting a recovery in economic activities. Growth in currency in circulation, the most liquid component of M2, accelerated to 7.6 per cent at the end of the first quarter of 2011 from 6.1 per cent recorded at the end of preceding quarter. The share of transferable deposits in total deposits of the other depository corporations increased to 45.1 per cent at the end of the first quarter of 2011 from 44.7 per cent at the end of the preceding quarter. The foregoing developments resulted in the share of other deposits declining to 54.9 per cent from 55.3 per cent at the end of the previous quarter of 2010 (Chart 3.2).

**Chart 3.2: Composition of other depository corporation's deposits**



<sup>17</sup> The inclusion of MMU as part of monetary aggregates since 2009, has led to the significant rise observed in the first quarter of 2009.

Responsible for the contraction in M2 at the end of the first quarter of 2011, were net foreign assets of the depository corporations (Table 3.1). The deceleration in net foreign assets of the banking sector could largely be attributed to a reduction in foreign assets during the period under review. Commercial banks reduced their foreign deposits in the form of other deposits. In addition, the lower Rand seigniorage income received by the Central Bank also contributed to the significant decline in foreign assets at the end of the first quarter of 2011. In this regard, foreign assets of the depository corporations contracted by 8.3 per cent to reach N\$21.0 billion at the end of the quarter ending March 2011. On an annual basis, net foreign assets of the depository corporation recorded a further decline when compared to a negative growth of 1.2 per cent at the end of the corresponding quarter of 2010.

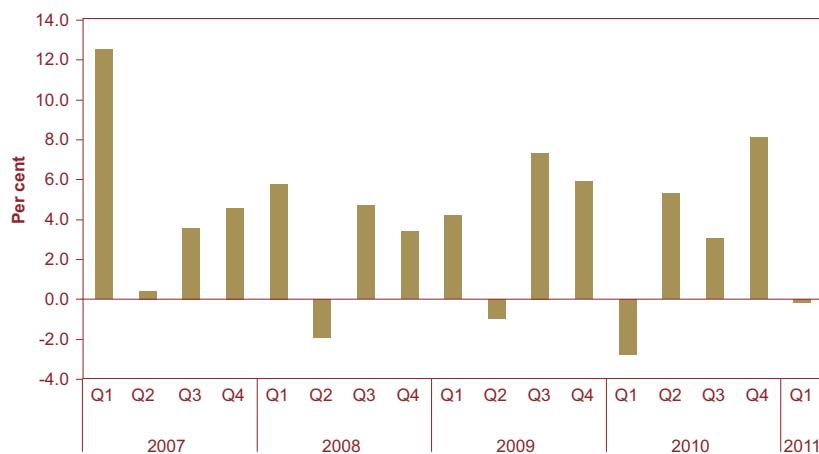
**Table 3.1: Determinants of M2 (quarterly change- N\$ million)**

	2010				2011	Contribution to change in M2
	Q2	Q3	Q4	Q1	Quarterly percentage Change	
<b>Total Domestic Claims</b>	<b>784.5</b>	<b>2 489.7</b>	<b>3 608.7</b>	<b>1 201.2</b>	<b>2.8</b>	<b>2.3</b>
Claims on the Private Sector	1 325.8	1 119.5	<b>2 528.3</b>	<b>-12.9</b>	0.0	0.0
Net Claims on the Central Government	-541.2	1 370.2	<b>1 080.4</b>	<b>1 214.1</b>	-66.0	2.4
<b>Net Foreign Assets of the Depository Corporation</b>	<b>-2 541.5</b>	<b>-459.5</b>	<b>-1 412.7</b>	<b>-1 861.4</b>	<b>-9.0</b>	<b>-3.6</b>
Other Items Net	456.2	416.7	<b>-916.2</b>	<b>-538.6</b>	7.2	-1.0
<b>Broad Money Supply</b>	<b>-1 300.7</b>	<b>2 446.9</b>	<b>1 279.8</b>	<b>-1 198.8</b>	<b>-2.9</b>	<b>-2.3</b>

### Private Sector Credit Extended

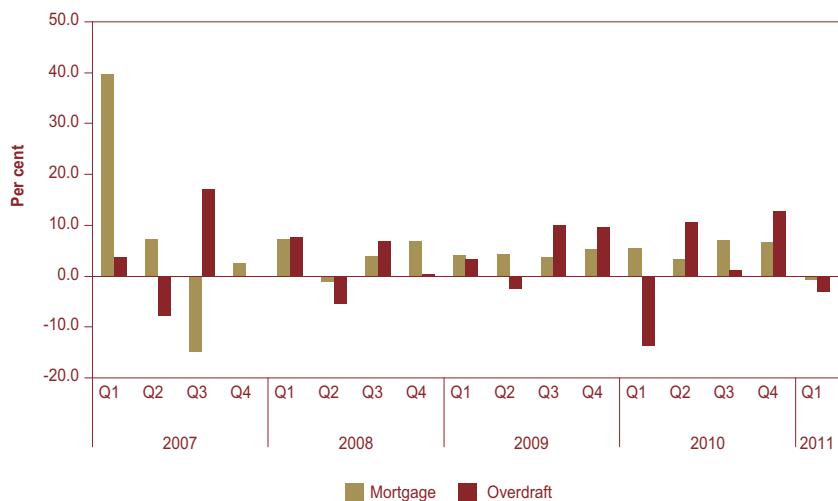
PSCE slowed at the end of the first quarter of 2011, but rose year-on-year. This downward movement in PSCE was due to significant reductions in two major credit categories, mainly overdraft lending and other loans and advances. The subdued growth in domestic demand as reflected in PSCE was more pronounced in credit extended to the corporate sector which contracted at the end of the first quarter of 2011.

**Chart 3.3: Credit extended to the corporate sector (quarter-on-quarter growth rates)**



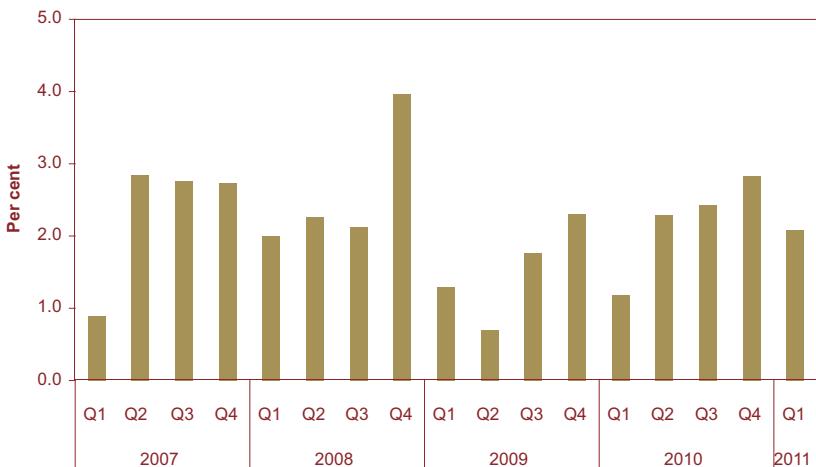
Growth in credit extended to the corporate sector contracted on a quarterly basis by 0.2 per cent to reach N\$15.0 billion at the end of the first quarter of 2011 (Chart 3.3). This contraction in credit advanced to corporations was due to the repayments of short-term overdraft facilities by some corporations at the end of the first quarter of 2011. The decline observed in credit extended to the corporate sector was predominantly reflected in the categories mortgage and overdraft lending. Mortgage and overdraft lending registered negative growths of 0.6 per cent and 3.1 per cent at the end of the quarter ending March 2011, when compared to 6.6 per cent and 12.9 per cent, respectively, at the end of the preceding quarter of 2010 (Chart 3.4).

**Chart 3.4: Mortgage and overdraft lending to the corporate sector (quarter-on-quarter growth rates)**



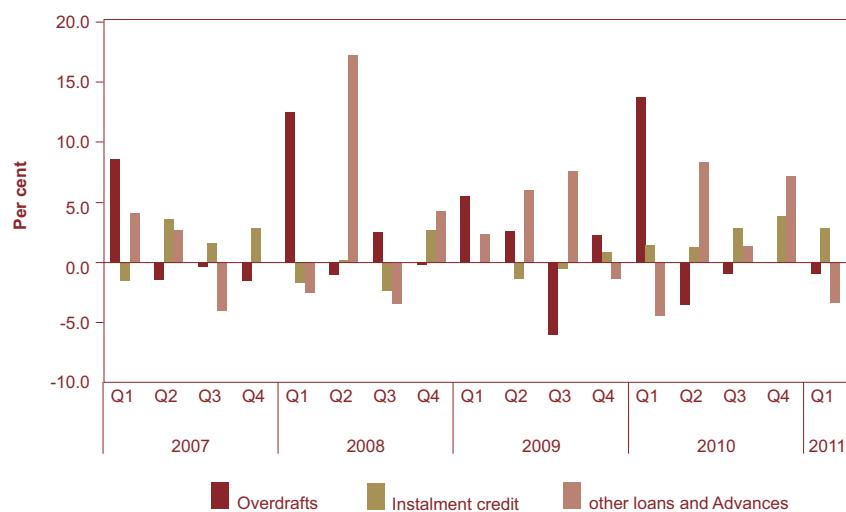
Similar to the restrained growth in credit to corporations, credit to individuals which accounts for the largest portion of credit extended to the private sector moderated at the end of March 2011 (Chart 3.5). The quarterly growth in credit advanced to individuals slowed to 2.1 per cent from 2.8 per cent at the end of the previous quarter.

**Chart 3.5: Credit extended to individuals (quarter-on-quarter growth rates)**



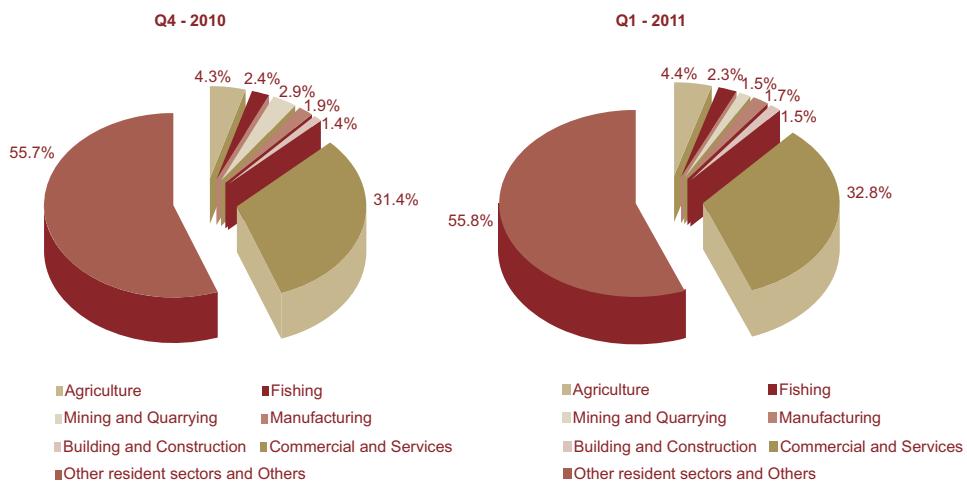
The household sector borrowed less at the end of March 2011, amidst a positive economic outlook and a low interest rate environment. The slower growth in household credit was explained by the reduction in the categories, instalment credit, overdrafts facilities and other loans and advances (Chart 3.6). On the contrary, mortgage credit which accounts for the largest credit extended to the household sector rose although not high enough to offset the decline on an aggregate level. In this regard, mortgage credit advanced to individuals rose marginally by 3.0 per cent to N\$17.4 billion at the end of March 2011.

**Chart 3.6: Overdraft lending, instalment credit and other loans and advances to individuals (quarter-on-quarter growth rates)**



Bank credit availed to most sectors of the economy increased at the end of the first quarter of 2011 with the exception of the mining and quarrying, manufacturing and fishing sectors. Credit to other resident sectors and others received the largest portion of credit allocated followed by the commercial and services sector accounting for 55.8 per cent and 32.8 per cent, respectively. The building and construction sector was the only sector whose demand for bank credit increased significantly at the end of the quarter ending March 2011, a recovery from the negative growth recorded at the end of the preceding quarter. Credit allocated to the building and construction sector rose to 14.4 per cent from a contraction of 8.8 per cent at the end of the previous quarter (Chart 3.7). This can partly be linked to the increased building plans approved during the first quarter of 2011 as reported under the real sector section herein an indication that activities in construction will pick momentum. Credit extended to the mining and quarrying sector contracted significantly to 46.4 per cent from a positive growth of 10.3 per cent recorded at the end of the preceding quarter. This is consistent with the generally improved conditions in the mining sector especially in diamond mining resulting in low demand for bank credit. Growth in credit extended to the manufacturing and fishing sectors also contracted to 8.2 per cent and 3.0 per cent, respectively, at the end of the first quarter of 2011.

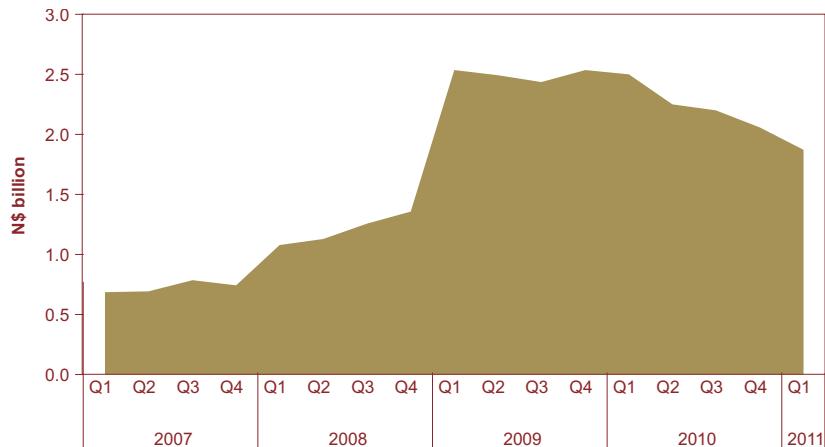
**Chart 3.7 Direction of credit to economic sectors (percentage share)**



## Net Foreign Assets

The downward trend in net foreign assets of the depository corporations which started at the end of the second quarter of 2010, continued in the first quarter of 2011. These assets contracted by 9.0 per cent to N\$18.7 billion at the end of the first quarter of 2011 (Chart 3.8). Responsible for this contraction was the reduction in foreign assets of both the central bank and commercial banks, coupled with a decline in commercial banks foreign liabilities to non-residents as earlier stated.

**Chart 3.8: Net foreign assets of the depository corporations**



The net foreign assets of the central bank declined by 11.6 per cent to N\$8.0 billion at the end of the first quarter of 2011 from N\$9.1 billion at the end of the previous quarter (Table 3.2). Similarly, net foreign assets of the other depository corporations contracted by 7.0 per cent to reach N\$10.7 billion at the end of the first quarter of 2011. This contraction is a result of a decline in deposits of other depository corporations on non-residents. Claims of commercial banks on non-residents decelerated by 7.2 per cent to N\$11.5 billion for the period under review. Similarly, liabilities to non-residents slowed to N\$802.8 million at the end of the first quarter of 2011, from N\$889.7 million recorded at the end of the preceding quarter.

**Table 3.2: Stock of foreign assets and liabilities of depository corporations (N\$ millions)**

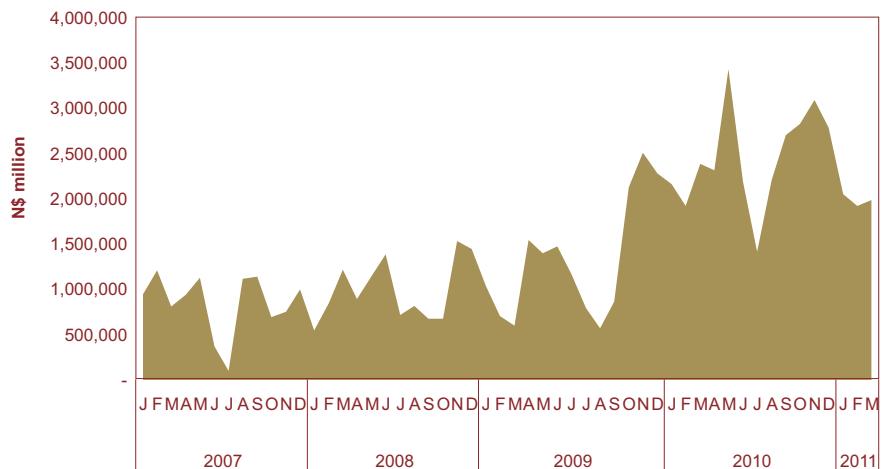
	2009	2010				2011
	Q4	Q1	Q2	Q3	Q4	Q1
<b>A. NFA /L ODCs</b>	<b>12 765.6</b>	<b>13 524.2</b>	<b>11 413.7</b>	<b>11 746.3</b>	<b>11 509.5</b>	<b>10 705.4</b>
Foreign Assets	13 175.2	14 133.1	12 128.6	12 627.3	12 399.2	11 508.2
Foreign Liabilities	-409.6	-608.9	-714.8	-881.0	-889.7	-802.8
<b>B. NFA/L of BON</b>	<b>12 569.8</b>	<b>11 496.5</b>	<b>11 065.5</b>	<b>10 273.4</b>	<b>9 097.5</b>	<b>8 040.2</b>
Foreign Assets	14 156.3	13 037.1	12 577.9	11 759.2	10 483.3	9 485.6
Foreign Liabilities	-1 586.4	-1 540.6	-1 512.4	-1 485.8	-1 385.7	-1 445.5
<b>Total NFA</b>	<b>25 335.5</b>	<b>25 020.7</b>	<b>22 479.2</b>	<b>22 019.7</b>	<b>20 607.0</b>	<b>18 745.6</b>

### Liquidity of Commercial Banks

The Namibian banking industry overall liquidity position declined significantly at the end of the first quarter of 2011. In this regard, the overall liquidity of the banking industry declined to N\$2.0 billion, which is 28.8 per cent lower than the level recorded at the end of the previous quarter (Chart 3.9). Contributing to the low liquidity levels was the reduced government spending<sup>18</sup> during the first quarter of 2011, coupled with the increase in government borrowing. The government reviewed its borrowing strategy and issued new debt securities, thus absorbing the surplus liquidity from the market. The commercial banks' surplus balance with South Africa declined by 14.8 per cent to N\$1.4 billion, resulting in a reduction in overall liquidity of the banking industry. Similarly, commercial banks liquid balances with Bank of Namibia declined by 50.1 per cent to N\$552.9 million at the end of the first quarter of 2011, also contributing to the low overall liquidity position.

<sup>18</sup> All government purchases and payments are done through commercial banks and thus lower government spending implies less money was pumped in the banking system, hence the decline in overall liquidity.

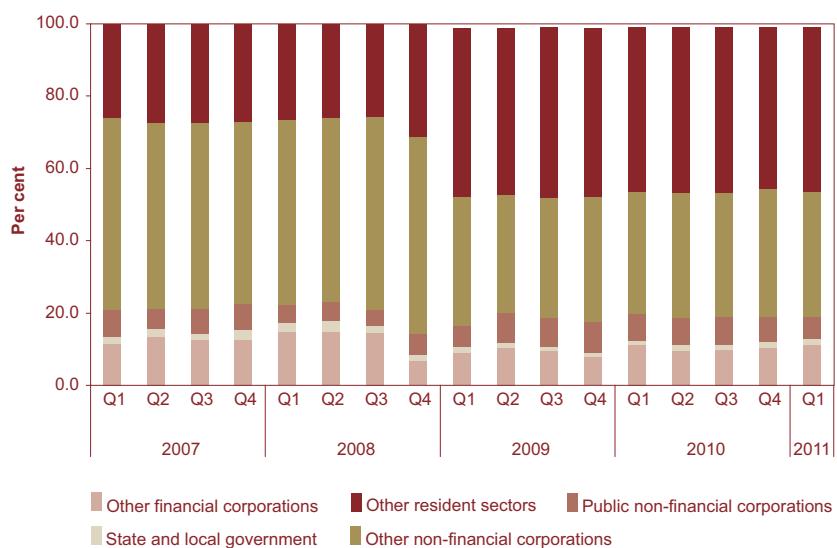
### Chart 3.9: Overall liquidity of commercial banks



#### Sources of funds of other depository corporations

Commercial banks sourced most of their funds from other resident sectors followed by other non-financial corporations and other financial corporations in the third place (Chart 3.10). The proportion of the combined transferable and other deposits of other resident sector to total deposits stood at 45.8 per cent at the end of the first quarter of 2011, slightly higher than the 44.7 per cent recorded at the end of the fourth quarter of 2010. The share of the combined transferable and other deposits of other non-financial and other financial corporations rose to 35.0 per cent and 10.7 per cent, respectively at the end of the first quarter of 2011.

### Chart 3.10: Sources of funds of ODCs



## MONEY AND CAPITAL MARKETS DEVELOPMENTS

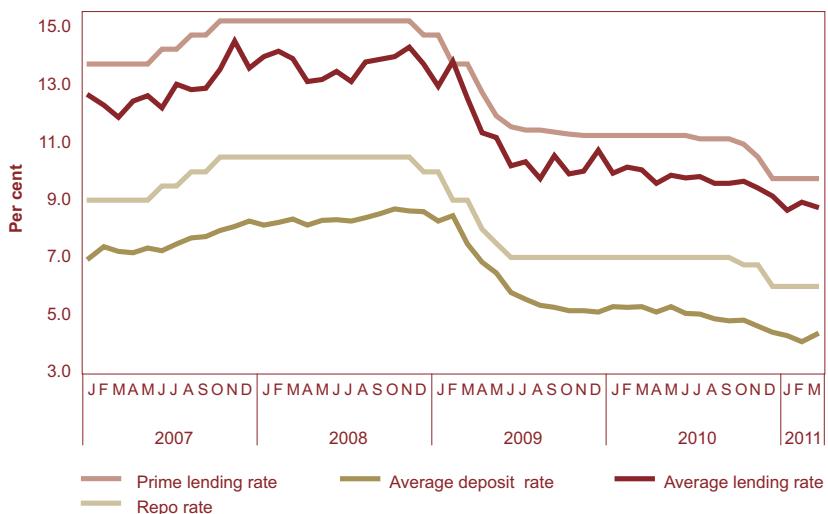
## Money market developments

The Bank of Namibia kept its Repo rate unchanged at 6.00 per cent at its February and April meetings. This was due to the fact that the Bank felt that a change in the policy rate would run the risk of unduly depressing domestic demand at a time when demand is not the cause of the recent acceleration in inflation. Commercial banks consequently kept their prime lending rate unchanged at 9.75 per cent.

In line with the accommodative monetary policy environment, money market rates continued the downward trend that started during the fourth quarter of 2008. In this connection, commercial banks further adjusted both their lending and deposit rates downwards. This brought the average nominal lending rate down to 8.77 per cent during the first quarter of 2011 from 9.14 per cent during the previous quarter (Chart 3.11). Similarly, the average deposit rate declined to 4.33 per cent from 4.41 per cent over the same period. This

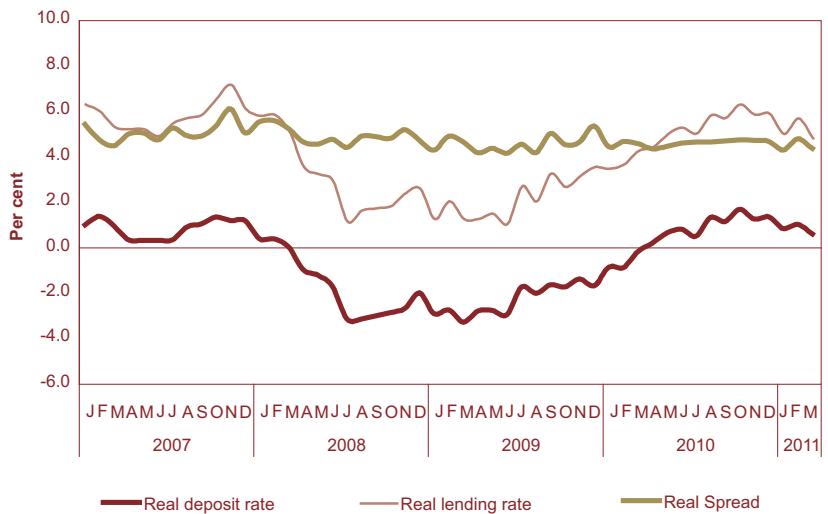
downward adjustment may imply that both the lending and deposit rates now respond to the monetary policy easing conditions that started in October 2008. The spread between these two rates narrowed to 4.44 percentage points during the quarter ending March 2011 compared to 4.73 percentage points at the end of the preceding quarter.

**Chart 3.11: Selected interest rates**



During the first quarter of 2011, the real average interest rate declined due to the upward movement observed in the annual rate of inflation. In this regard, the real average deposit rate decreased to 0.51 per cent during the first quarter of 2011 from 1.27 per cent recorded during the final quarter of 2010. Similarly, the average real lending rate declined to 4.79 per cent from 5.86 per cent over the same period. As a result, the spread between the two rates narrowed slightly to 4.28 per cent from 4.59 per cent (Chart 3.12).

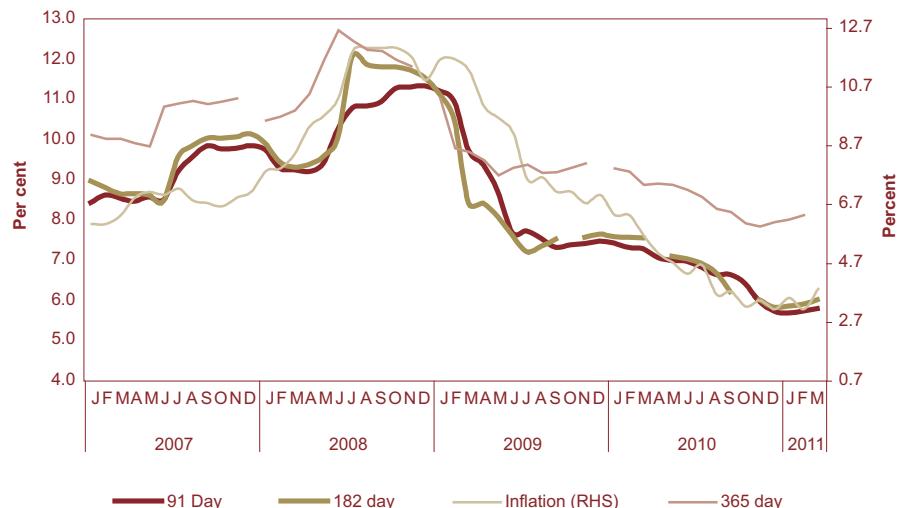
**Chart 3.12: Real interest rates**



## Capital market developments

The downward trend in treasury bills yields that started mid-2009, reversed during the first quarter of 2011. The yields for the 91-day treasury bills rose from 5.68 per cent during the final quarter of 2010 to 5.74 per cent during the first quarter of 2011. Similarly, the yield for the 182 and 365 treasury bills picked up to 5.97 per cent and 6.13 per cent over the same period from 5.78 per cent and 5.92 per cent during the last quarter of 2011. The inflation rate as a result, recorded an upward movement during the period under review, a confirmation of the positive relationship between Treasury bill yields and inflation (Chart 3.13). For treasury bills to constitute an effective inflation hedge, interest rates on treasury bills must move in the same direction with the rate of inflation.

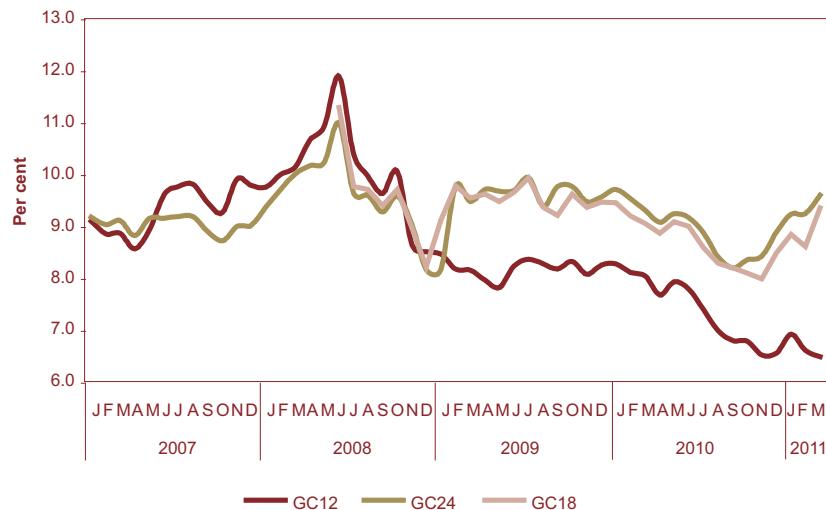
**Chart 3.13: Treasury Bills discount rate<sup>19</sup>**



### Government Bond yields

The Namibian Government bond yields trended upward during the first quarter of 2011 with the exception of the yield on the GC12 bond. The yields were higher during the first quarter of 2011 relative to the level observed during the previous quarter of 2010. At the end of the first quarter of 2011, the yields for the GC18 and GC24 increased to 9.3 per cent and 9.6 per cent from 8.5 per cent and 8.9 per cent recorded at the end of December 2010, respectively (Chart 3.14). With less than two years left before maturity, the yield on the GC12 bond declined to 6.4 per cent at the end of the first quarter of 2011, closely tracking the money market rates.

**Chart 3.14 Government bond yields**



### Equity markets development

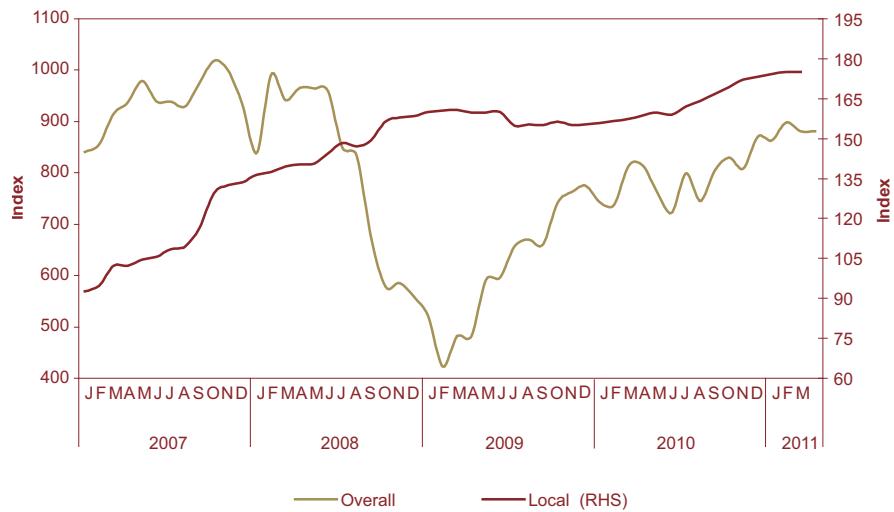
The NSX overall index closed at 878.86 points at the end of March 2011 up by 1.3 per cent when compared to the closing value of the previous quarter (Chart 3.15). The gain in the index was partly due to the positive performance of the Anglo American share which accounts for approximately 40.5 per cent of the total market capitalization. Anglo American's share price increased from N\$345.43 in December 2010 to N\$352.00 in March 2011. Further, shares for Old Mutual Ltd, Barloworld Ltd, Transhex Group Ltd, Nedbank Group Ltd and Nictus also contributed positively to the performance of the overall index.

Similarly, the local index increased by 1.05 per cent to 174.54 index points at the end of the first quarter of 2011, the highest level since June 1996 (Chart 3.15). The significant improvement in the local index

<sup>19</sup> All gaps observed in chart 3.13 is an indication of no issuances of the particular instrument for that specific month.

was due to the positive movements in share prices while the additional demand created by regulation 28 which stipulates that each fund must invest 35.0 per cent of its total funds in Namibian assets continues to provide a stimulus for the local index.

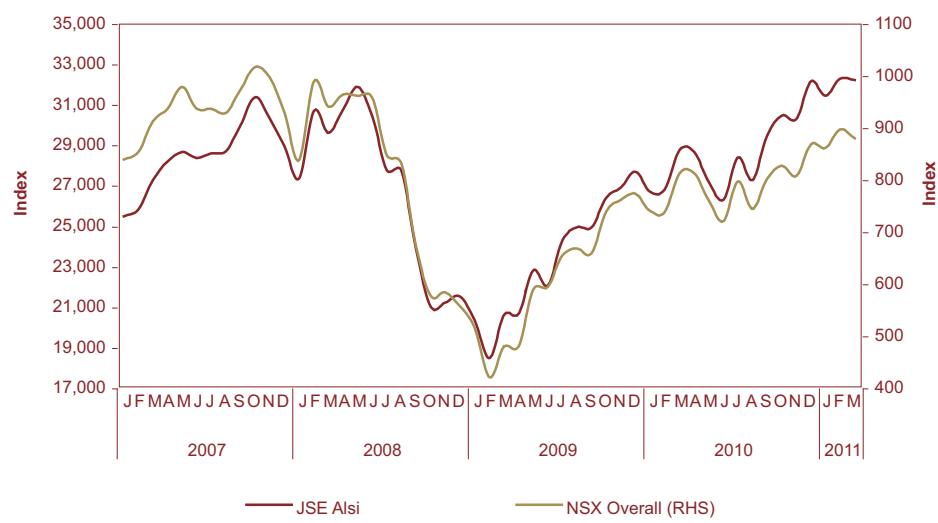
**Chart 3.15: NSX price index**



Source: NSX

The NSX overall index closely mirrors developments in the JSE All Share index because some of the dual listed companies are primarily listed on the JSE, which dictates equity price movements. In this connection, the JSE All Share closed at 32 204 index points at the end of March 2011 resulting in a mere growth of 0.3 per cent (Chart 3.16).

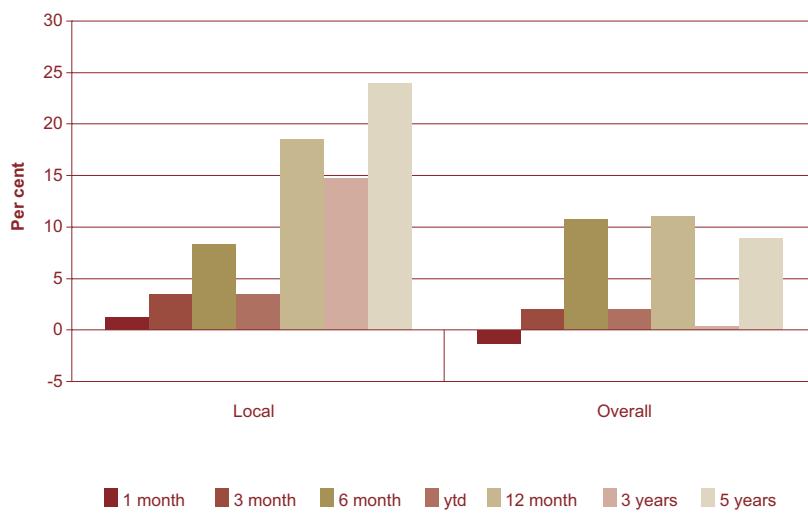
**Chart 3.16: JSE all-share index vs. NSX overall index**



Source: NSX and JSE

Over the 12-month period ended March 2011, the NSX overall index gained 11.08 per cent lower when compared to the 14.79 per cent recorded at the end of December 2010. Conversely the local index returned 18.49 per cent slightly lower than the 18.70 reported at the end of December 2010 (Chart 3.17). The turnover of the NSX decreased to N\$675 million during the first quarter of 2011 from N\$1.9 billion recorded during the final quarter of 2010. This poor performance was due to a decline in volumes traded during the period under review.

**Chart 3.17: Total returns on the indices calculated by IJG as at end of March 2011**



Source: IJG

At the end of the first quarter of 2011, both the overall and local market capitalisation recorded an increase of 1.38 per cent to N\$1 167 billion and 1.08 per cent to N\$7.9 billion, respectively. This is an indication that the market capitalization of shares listed on the NSX continues to grow significantly (Table 3.3).

**Table 3.3: NSX summary statistics**

	2010			2011
	Q3	Q4	Q1	
<b>Overall</b>				
Index at the end period	801.59	867.23	878.86	
Market capitalisation at end of period (N\$ million)	1 071 087	1 151 487	1 167 433	
Free float market cap at end of period (N\$ million)	1 013 768	1 096 701	1 110 835	
Volume traded ('000) <sup>20</sup>	30 716	32 437	20 110	
Value traded (N\$ million)	1 162	1 111	675	
Number of deals on NSX	742	824	664	
Number of new listing (DevX)	1	1	1	
<b>Local</b>				
Index at the end period	166.23	172.72	174.54	
Market capitalisation at end of period (N\$ million)	7 543	7 782	7 866	
Volume traded ('000)	2 062	5 095	1 982	
Value traded (N\$ '000)	20 515	29 444	11 960	
Number of deals on NSX	104	107	97	
Number of new listing	-	-	-	

Source: NSX

<sup>20</sup> The volume and value traded take the sum of all months in that particular quarter.

## **Box 2: The impact of Capital flows to Emerging Market Economies and policy responses**

### **Introduction**

This article is an attempt to highlight policy challenges associated with the recent surge in private capital flows to Emerging Market Economies (EMEs). Capital inflows to EMEs have displayed a phenomenal pattern over the past two years. Following the financial crisis of 2008, capital inflows have rebounded particularly in 2009 to pre-crisis levels (BIS, 2011). This has left EMEs with a tremendous task of managing those inflows that has put upward pressure on their currencies. The greatest concern among the EMEs is the capital inflows' tendency of appreciating the EMEs exchange rates and resulting in notable losses of export competitiveness. Moreover, there are other concerns such as the overheating of the EMEs, particularly in the Asia which is beyond the scope of this article.

According to the Institute of International Finance (IIF), private capital flows to the EMEs totalled US\$600 billion in 2009. These flows were expected to surge to US\$960 billion in 2011 and to hit the US\$1 trillion mark in 2012. While the recent increases observed in international capital flows are a sign of strength for the EMEs economy, the increase has given rise to a range of policy challenges. These challenges range from macroeconomic to financial stability. Central banks in the EMEs in turn have introduced a range of policy measures aimed at addressing these challenges, while the world leaders around the globe continue to call for greater policy coordination. Given Namibia's membership to the Common Monetary Area and the higher degree of financial integration with South Africa, it is important for Namibia to keep abreast on this subject.

### **Composition of capital inflows**

The flow of capital into the EMEs can be largely classified in three components namely Foreign Direct Investment (FDI), Foreign Portfolio Investment (FPI), and Other Foreign Investment (OFI). The first component, FDI refers to investment in a firm where foreign investors have at least 10 per cent of the voting rights. Over the past decade and particularly the last two years, FDI has emerged to be one of the most stable sources of financing for EMEs. According to a United Nations report<sup>21</sup>, EMEs attracted over 50 per cent of the world's foreign direct investment in 2010 and, for the first time, outperformed developed economies.

The second component, FPI includes the purchase and sale of bonds and equities listed on international and domestic capital markets. During the last decade, there has been a substantial increase in FPI to the world's emerging economies. This has largely been attributed to the claim that FPI induces an efficient flow of finance to EMEs due to high returns.

The third component of capital inflow is the OFI and it consists of foreign loans and deposits between banks, companies and governments. Large short term flows between accounts in different nations were observed during the last two years, as investors were trying to take advantage of fluctuations in interest rates and exchange rates.

### **Determinants of capital inflows**

The basic motivation for the international capital flows have been the investor's driving need for higher returns in high interest rate environment elsewhere. Individuals, fund managers and firms seek to achieve higher expected returns by exploiting the greater diversification potential in international relative to domestic markets. The underlying factors of the recent inflows are said to be both cyclical (growth rates between advanced economies and EMEs) and structural (on the investor perception of risk). Therefore, motivations for the recent strong capital flows will be better understood within this context.

<sup>21</sup> Global and Regional FDI Trend in 2010

The first driver of capital inflow was the interest rate differential between the advanced and emerging economies following the financial crisis of 2008 (i.e. lower interest rates prevailing in advanced economies pushed capital out in search of higher returns in EMEs). Advanced economies retained a low interest rate environment to boost economic activity; however, this resulted in capital inflows to EMEs. The second cause of capital inflow to EMEs was the cyclical aspect of the global economy. The severe recession that hit the advanced economies the most, forced investors to move their capital out of these economies. As the recession was so severe compared to emerging markets, this has reduced profitability of capital and thus stimulated flows to EMEs. The third driver was the investor's risk perceptions. The improvement in economic structures led to better risk profiles of EMEs resulting in significant flows of capital into EMEs.

### **The consequences of capital inflows**

The experience from most EMEs shows that attracting global capital could be both a blessing and a curse. For instance, the recent increases in capital flows have been the main source of deficit financing by EMEs but at the same time have given rise to a number of policy challenges in a number of emerging economies. These include overheating and currency appreciations. Those economies that were already facing pressures from rising inflation, strong credit, assets price growth and appreciating currencies found it even more difficult to pursue their internal stabilisation objectives. The major concern among the EMEs has been the exchange rate appreciation. The strong capital flows have exerted significant pressures on the value of EME exchange rates. As a result, export-oriented EME's have expressed concerns that the strengthening currencies were beginning to erode their export competitiveness.

In South Africa for instance, a strong Rand has dampened the country's competitiveness and by extension also Namibia's. Recently, South Africa's Trade Minister raised a concern on the strong currency and indicated the Rand is overvalued and that the government was currently discussing ways to address this challenge (Reuters, June 2011). The Rand has gained about 14.0 per cent against the US\$ in the last 12 months, drawing concerns from both manufacturers and Trade Unions. A stronger Rand has negative implications for exporters, as it erodes their profits. On the other hand, capital inflows have resulted in a strong Rand, a condition that has provided an inflation cushion for the economy.

### **Policy responses**

EMEs have reacted differently to the strong inflows in mitigating currency appreciation over the last two years, but the main policy recourse across countries has been sterilisation intervention. To avoid some or all of the nominal exchange rate fluctuations resulting from capital inflows, monetary authorities have intervened in the foreign exchange market by accumulating foreign exchange reserves. To varying degrees other EMEs have used measures going beyond interventions, mainly because of varying concern such as overheating (IMF, 2011). China and Turkey for instance have relied on reserve requirements rather than interest rates, as opposed to India, which mostly raised interest rates to manage exchange rate appreciation. Brazil has been trying all of these measures, as well as direct capital controls to limit currency appreciation.

South Africa has made the least use of some of the capital flow measures used by most EMEs, in part, because it has the least concern about domestic overheating and because of its authorities' commitment to exchange rate flexibility. Instead, the authority used measures that were designed to increase the capacity of the economy to absorb capital inflows or to strengthen the ability of the financial sector to cope with financial stability risks. The Table below highlights South Africa's responses to capital inflows since 2009.

**Table 1: Capital flow measures in South Africa since 2009**

Year	Month	Measure
2009	October	(i) Raised the lifetime limit on individuals' investment offshore to R4 million from R2 million per year (ii) Raised the single discretionary allowance to R750, 000 from R500, 000.
2010	March	(i) Banks were allowed to invest abroad up to 25.0 per cent on non-liabilities.
	October	(i) Eliminated the 10.0 per cent levy on the capital that South Africa could transfer upon emigration, (ii) Raised the single discretionary allowance to R1 million from R750, 000.
	December	(i) Limits that resident's institutional investors can invest offshore were raised by 5 per centage points, and now range from 25 to 35 per cent depending on the type of institutional investor.
2011	January	(i) Authorities allowed qualifying international headquarter companies to raise and deploy capital offshore without exchange control approval.

Source: IMF, 2011

### Conclusions

EMEs have experienced a significant increase in capital inflows over the past two years, mainly driven by the attractive returns offered by the EMEs compared to the countries from which capital originated. These excessive capital inflows, however, had unintended consequences on the currency. Given the expectation of a continued flow of capital to EMEs, the general view is that a measure that can address this issue from a broader perspective should be found. A tailor-made policy response specific on the type of inflow would be more appropriate. The IMF recently advised that any potential measure that should be considered has to be assessed in a country-specific and market-specific context (IMF, 2011). Furthermore, it should be borne in mind that the appropriate use of such a measure will necessarily be determined by the particular macroeconomic, institutional and market circumstances faced by each country.

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United Nations, 2011, "UNCTAD Global Investment Trends Monitor" Annual Global and Regional FDI Trend in 2010. [www.unctad.org/djac](http://www.unctad.org/djac)



## FISCAL DEVELOPMENTS<sup>22</sup>

The fiscal position in terms of Central Government debt and guarantees as a percentage of GDP remained sound and within the target bands of 25.0 per cent and 10.0 per cent, respectively, during the fourth quarter of 2010/11. The stock of total debt outstanding for the Central Government increased quarter-on-quarter and year-on-year at the end of the fourth quarter of 2010/11. The stock of the Central Government loan guarantees increased on a quarterly basis but declined on a yearly basis over the same period.

### CENTRAL GOVERNMENT DEBT

The outstanding Central Government debt stock stood at N\$13.8 billion at the end of the fourth quarter of 2010/11, representing an increase of 6.6 per cent when compared to the stock recorded at the end of the previous quarter (Table 4.1). This represents an increase of 15.8 per cent of GDP, an outcome higher than the 14.8 per cent of GDP recorded at the end of the third quarter of 2010/11. Similarly, on an annual basis, total Central Government's debt stock increased by 16.0 per cent. Both quarterly and annual increases in total debt were reflected in both domestic and external debt. The increase in domestic debt was fuelled by further net issuances in treasury bills and bonds as well as the introduction of the GC27 and GC30 during the reference period. The increase in external debt was mainly attributed to the weak Namibia Dollar against the major currencies as well as increased disbursements on some of the existing loan portfolios.

**Table 4.1: Central Government debt (N\$ million)**

	2009/10		2010/11		
	Q4	Q1	Q2	Q3	Q4
<b>GDP</b>	<b>79 629</b>	<b>87 362</b>	<b>87 362</b>	<b>87 362</b>	<b>87 362</b>
<b>Total export of goods and services</b>	<b>8 233</b>	<b>8 419</b>	<b>9 369</b>	<b>10 304</b>	<b>9 680</b>
<b>Foreign debt stock</b>	<b>3 046.5</b>	<b>2 929.7</b>	<b>3 047.0</b>	<b>2 986.1</b>	<b>3 237.1</b>
Bilateral	1 119.4	1 007.5	1 038.6	980.3	1 130.0
As % of total	36.7	34.4	34.1	32.8	34.9
Multilateral	1 927.1	1 922.2	2 008.4	2 005.8	2 107.1
As % of total	63.3	65.6	65.9	67.2	65.1
<b>Foreign debt service</b>	<b>137.9</b>	<b>60.4</b>	<b>72.1</b>	<b>35.2</b>	<b>69.7</b>
As % of export	1.7	0.7	0.8	0.3	0.7
<b>Domestic debt stock</b>	<b>8 876.0</b>	<b>8 951.2</b>	<b>9 241.2</b>	<b>9 982.5</b>	<b>10 589.5</b>
Treasury bills	3 507.0	3 462.2	3 632.2	3 994.1	4 446.8
As % of total	39.5	38.7	39.3	40.0	42.0
Internal registered stock	5 369.0	5 489.0	5 609.0	5 988.5	6 192.8
As % of total	60.5	61.3	60.7	60.0	58.5
<b>Total Central Government debt</b>	<b>11 922.5</b>	<b>11 880.9</b>	<b>12 288.2</b>	<b>12 968.6</b>	<b>13 826.6</b>
Proportion of total debt					
Foreign debt stock	25.6	24.7	24.8	23.0	23.4
Domestic debt stock	74.4	75.3	75.2	77.0	76.6
<b>As % of GDP</b>					
Foreign debt stock	3.8	3.4	3.5	3.4	3.7
Domestic debt stock	11.1	10.2	10.6	11.4	12.1
<b>Total debt</b>	<b>15.0</b>	<b>13.6</b>	<b>14.1</b>	<b>14.8</b>	<b>15.8</b>

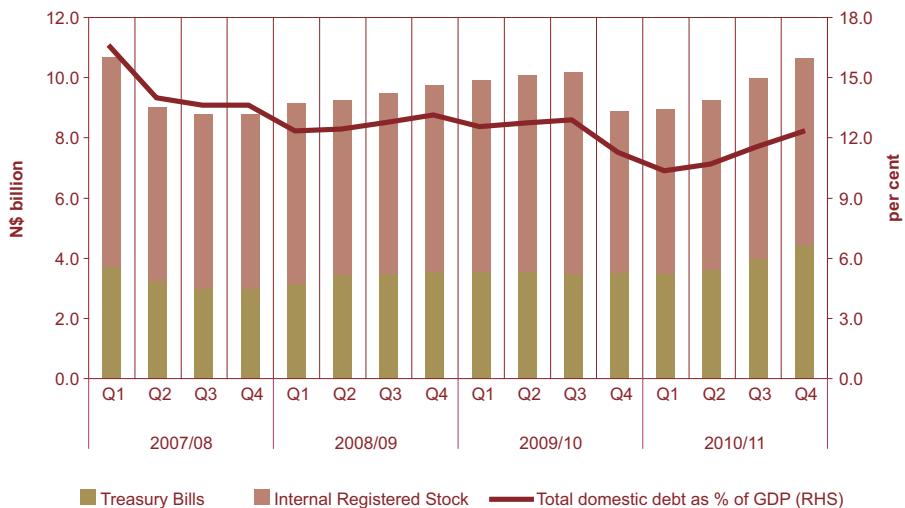
Source: BoN, MoF and CBS

<sup>22</sup> All quarters mentioned under this section are fiscal quarters and not calendar quarters; implying the second fiscal quarter of 2010/11 is the third calendar quarter of 2010. Further, the exchange rates being referred to in this section are direct rates for the respective currencies as at the end of period, while the exchange rate used for the BOP transactions are average rates during the period.

## Domestic debt

At the end of the fourth quarter of 2010/11, domestic debt increased by 6.1 per cent to N\$10.6 billion compared to the previous quarter (Table 4.1). As mentioned earlier, the increase was reflected in both treasury bills (T-bills) and internal registered stock (IRS), with T-bills registering a faster growth. The increase in T-bills stemmed from a net issue of N\$452.7 million, while IRS showed a net increase of N\$204.3 million compared to the debt stock figures of the previous quarter. As a per centage of GDP, domestic debt stock increased to 12.1 per cent at the end of the reference period, which is a 0.7 per centage point higher than that recorded at the end of the preceding quarter. On a yearly basis, domestic debt stock also increased by 19.3 per cent compared to the same quarter in the previous fiscal year with a net issuance of N\$1.8 billion in both T-bills and IRS. As a result, the domestic debt stock as a ratio to GDP increased by 1.0 per centage point from 11.1 per cent at the end of the fourth quarter of 2009/10 (Chart 4.1).

**Chart 4.1: Total domestic debt by security**



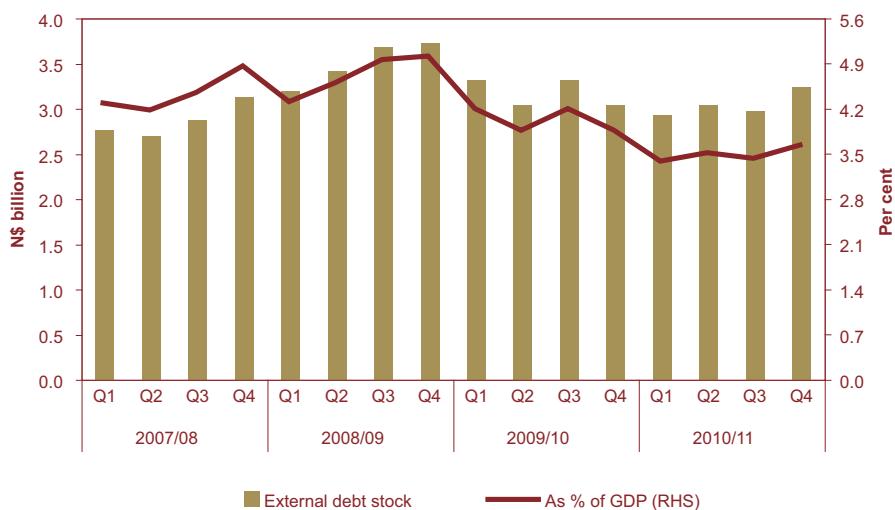
Source: BoN, MoF and CBS

Debt in treasury bills, which makes up government short-term borrowing, rose by N\$452.7 million, quarter-on-quarter, to N\$4.4 billion at the end of the fourth quarter of 2010/11. On an annual basis, the short-term debt stock rose by 26.8 per cent from N\$3.5 billion recorded at the end of the corresponding quarter. The net issuance of N\$452.7 million in various T-bills was the main contributor to the increase in short term debt both quarter-on-quarter and year-on-year. Central government's domestic borrowing in the form of IRS also rose quarter-on-quarter by 3.4 per cent to N\$6.2 billion at the end of the fourth quarter of 2010/11. The rise was mainly as a result of further issuance of Government bonds, namely GC18, GC21 and GC24 over the same period. The introduction of two new bonds namely GC27 and GC30 which were first issued on 14 January 2011, also contributed to the increase in IRS debt stock. The share of domestic debt stock to total Central Government debt declined to 76.6 per cent, quarter-on-quarter, at the end of the fourth quarter of 2010/11 from 77.0 per cent at the end of the previous quarter. When compared to the corresponding quarter of 2009/10, the share, however, increased by 2.2 per centage points from 74.4 per cent.

## External debt

Central government's external debt increased to N\$3.2 billion at the end of the fourth quarter of 2010/11, from N\$3.0 billion at the end of the previous quarter, representing a growth of 8.4 per cent. The developments in the external debt were primarily attributed to increased disbursements from some of the existing loan portfolios, notably, disbursements for the Rundu-Elundu road upgrading and the disbursements for customs scanner procurement. On an annual basis, Central Government external debt also increased by 6.3 per cent from the level at the end of the corresponding quarter in 2009/10. Consequently, the contribution of external debt to total Central Government debt increased slightly from 23.0 per cent at the end of the previous quarter to 23.4 per cent at the end of the fourth quarter of 2010/11. As a ratio to GDP, external debt stood at 3.7 per cent, which is 0.3 per centage point higher than that of the third quarter of 2010/11 (Chart 4.2).

**Chart 4.2: Total external debt**



Source: BoN, MoF and CBS

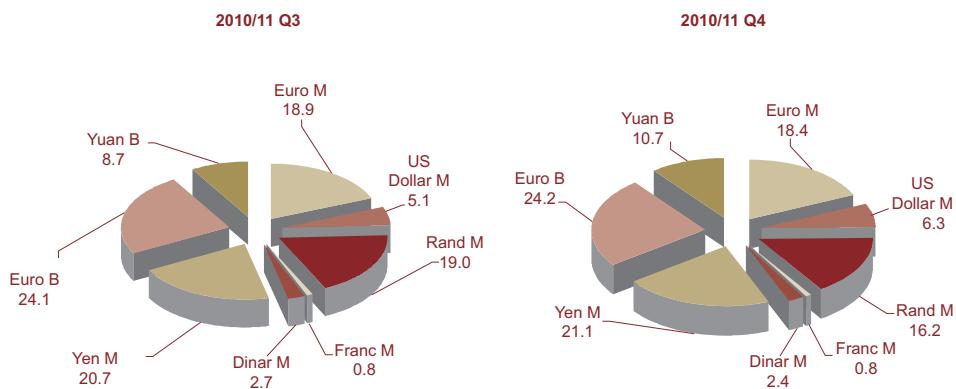
### External debt by type and currency

Namibia's external debt was dominated by multilateral loans at the end of the fourth quarter of 2010/11, with the Euro and Japanese Yen having the highest weight. These loans accounted for 65.1 per cent of total external debt at the end of the reference period as opposed to 67.2 per cent at the end of the previous quarter. The weakening of the Namibia Dollar against these currencies and the drawing against existing credit lines were responsible for the increase in total multilateral loans although its share to total debt declined. Bilateral loans, which are mostly denominated in Euro and Yuan, accounted for 34.9 per cent of the total Central Government external debt at the end of the fourth quarter of 2010/11, an increase from 32.8 per cent at the end of the previous quarter.

The debt stock in multilateral loans increased by 5.1 per cent at the end of the fourth quarter of 2010/11 to N\$2.1 billion compared to the previous quarter. Similarly, on an annual basis, the outstanding multilateral debt increased by 9.3 per cent from N\$1.9 billion (Table 4.1). Bilateral loans also increased by the end of the fourth quarter of 2010/11 to N\$1.1 billion an increase of 15.3 per cent compared to the stock at the end of the previous quarter. When compared to the same quarter in 2009/10 bilateral loans also increased but minimally, recording a growth of 0.9 per cent year-on-year. The weakening of the Namibia Dollar against the Euro, Japanese Yen and Yuan was largely responsible for the increase in multilateral and bilateral loans at the end of the quarter, both on a quarterly and annual basis.

The Euro maintained its position as the most dominant currency in the total external debt portfolio, followed by the Yen, Rand, Yuan, US Dollar and Dinar. The Euro denominated loans were mostly granted to the transport sector for road construction and rehabilitation. These loans were received from both bilateral and multilateral creditors and accounted for 42.6 per cent of the total external debt at the end of the fourth quarter of 2010/11. The decline in the share of Euro multilateral debt to total external debt, continued at the end of the fourth quarter of 2010/11 recording a decline of 0.5 per cent from 18.9 per cent. In contrast, the Euro denominated bilateral debt increased by 0.1 per cent to 24.2 per cent. The Yuan denominated bilateral loans also increased by 2.0 per cent to 10.7 per cent (Chart 4.3).

**Chart 4.3: External debt currency composition<sup>23</sup>**



Source: MoF

The proportion of the Japanese Yen multilateral debt to total external debt rose by 0.4 per centage point, quarter-on-quarter, to 21.1 per cent at the end of the fourth quarter of 2010/11. The increase in Yen multilateral debt was mainly due to the increased disbursements of the existing loans denominated in this currency. The Rand remains significant in Namibia's multilateral debt, taking up a ratio of 16.2 per cent to total external debt, this share, however, declined by 2.8 per centage points from 19.0 per cent because of repayments that occurred. It is worth noting that there is no exchange rate risk involved in the Rand denominated debt due to the fact that the Rand is pegged to the Namibia Dollar. On the other hand, the share of US Dollar multilateral debt to total external debt increased moderately by 1.2 per centage points to 6.3 per cent, mainly due to the depreciation of the Namibia Dollar against this currency at the end of the period under review (Chart 4.3).

### Central Government Loan Guarantees

At the end of the fourth quarter of 2010/11, the total Central Government loan guarantees issued to both the public and private sectors increased by 0.9 per cent to N\$2.5 billion (Table 4.2). The quarterly increase in total loans guaranteed by Central Government was on account of increased guarantees on foreign loans as domestic guarantees remained constant. Contrary to the quarterly development, loan guarantees declined on an annual basis by 7.0 per cent from N\$2.6 billion recorded at the end of the corresponding quarter of 2009/10. The decline in the overall Central Government loan guarantees, year-on-year, was mainly due to a reduction in guarantees locally and internationally. As a result, total loan guarantees as a per centage of GDP were 2.8 per cent at the end of the fourth quarter of 2010/11, declining from 3.3 per cent at the end of the corresponding quarter of 2009/10.

**Table 4.2: Central Government loan guarantees (N\$ million)**

	2009/10		2010/11		
	Q4	Q1	Q2	Q3	Q4
<b>GDP</b>	<b>79 629</b>	<b>87 362</b>	<b>87 362</b>	<b>87 362</b>	<b>87 362</b>
<b>Domestic Guarantees</b>	<b>1 211.4</b>	<b>1 211.4</b>	<b>1 211.4</b>	<b>1 081.4</b>	<b>1 081.4</b>
As % of GDP	1.5	1.4	1.4	1.2	1.2
As % of Total Guarantees	46.0	45.5	46.7	44.5	44.1
<b>Foreign Guarantees</b>	<b>1 423.5</b>	<b>1 452.4</b>	<b>1 381.1</b>	<b>1 346.2</b>	<b>1 368.2</b>
As % of GDP	1.8	1.7	1.6	1.5	1.6
As % of Total Guarantees	54.0	54.5	53.3	55.5	55.9
<b>Total Guarantees</b>	<b>2 634.9</b>	<b>2 663.8</b>	<b>2 592.5</b>	<b>2 427.6</b>	<b>2 449.6</b>
As % of GDP	3.3	3.0	3.0	2.8	2.8

Source: MoF, BoN and CBS

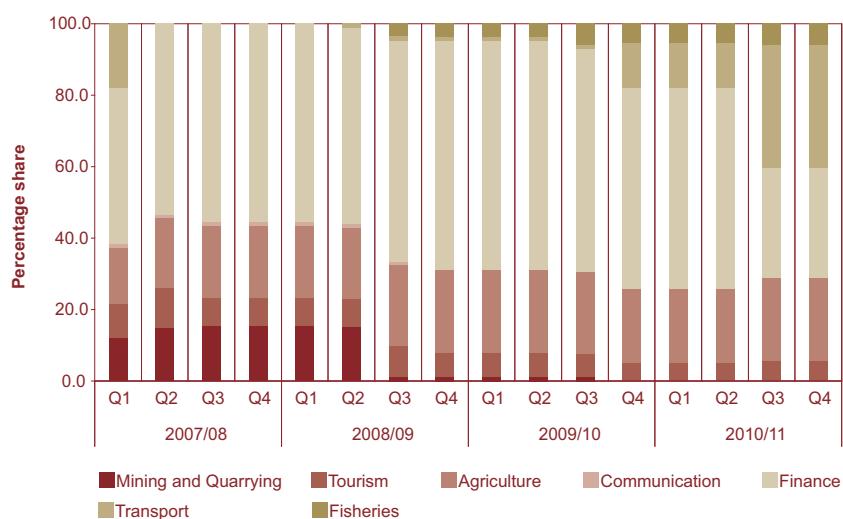
<sup>23</sup> Please note that M and B in Chart 4.3 represent multilateral and bilateral loans, respectively.

## Domestic loan guarantees

Domestic loan guarantees remained constant at N\$1.1 billion, quarter-on-quarter, at the end of the fourth quarter of 2010/11. These guarantees, however, declined significantly by 10.7 per cent from the level recorded at the end of the corresponding quarter of the previous year. The year-on-year decline was reflected in the financial sector loans that fell by 51.3 per cent. As a ratio to GDP, domestic loan guarantees remained constant at 1.2 per cent, quarter-on-quarter, but declined by 0.3 per cent point, year-on-year, at the end of the same period (Table 4.2).

At the end of the fourth quarter of 2010/11, the outstanding amount of the total loan guarantees issued to domestic creditors were largely dominated by the transport, financial and agricultural sectors, while tourism and the fisheries sectors accounted for the rest (Chart 4.4). As a per centage of domestic loan guarantees, loan guarantees issued to the transport, financial and agricultural sectors made up 34.4 per cent, 30.7 per cent and 23.3 per cent, respectively. On a yearly basis, domestic loan guarantees issued to the transport sector increased substantially to N\$372.5 million at the end of the review period, as opposed to N\$152.5 million a year ago because of an additional N\$200 million guarantee extended to the sector. The financial sector, however, decreased their loan commitments and consequently their guarantees declined by 51.3 per cent to N\$332.1 million over a year. The remaining sectors had fixed loan guarantees both on a quarterly and annual basis, by the end of the review period.

**Chart 4.4: Proportion of Government domestic loan guarantees by sector**

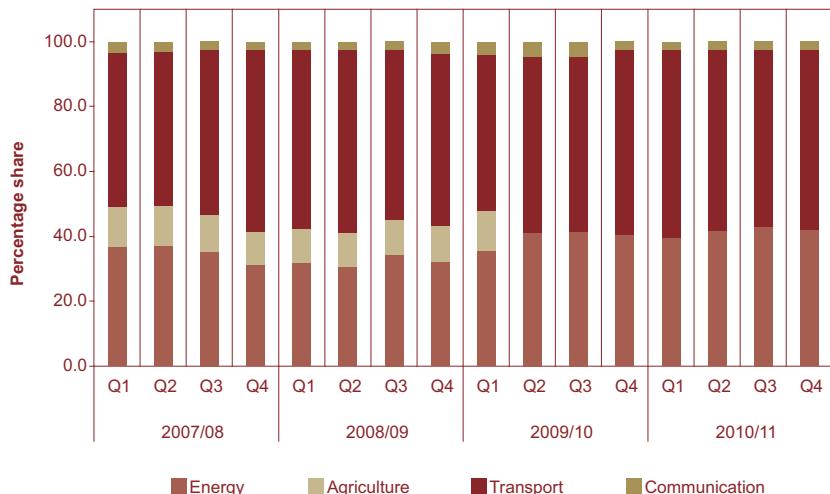


Source: MoF

## Foreign loan guarantees

The stock of foreign loan guarantees increased by 1.6 per cent, quarter-on-quarter, to N\$1.4 billion at the end of the fourth quarter of 2010/11. The observed quarterly increase was reflected in foreign loans of the transport sector that increased by 3.0 per cent to N\$756.1 million over the period. Year-on-year, however, foreign loan guarantees declined by 3.9 per cent at the end of the fourth quarter of 2010/11 (Table 4.2). The decline in foreign loan guarantees was on account of repayments of foreign loans related to the transport sector over the year. Foreign loan guarantees as a per centage of total loan guarantees increased by 0.9 per cent point, quarter-on-quarter and by 3.7 per cent points at the end of the fourth quarter of 2010/11.

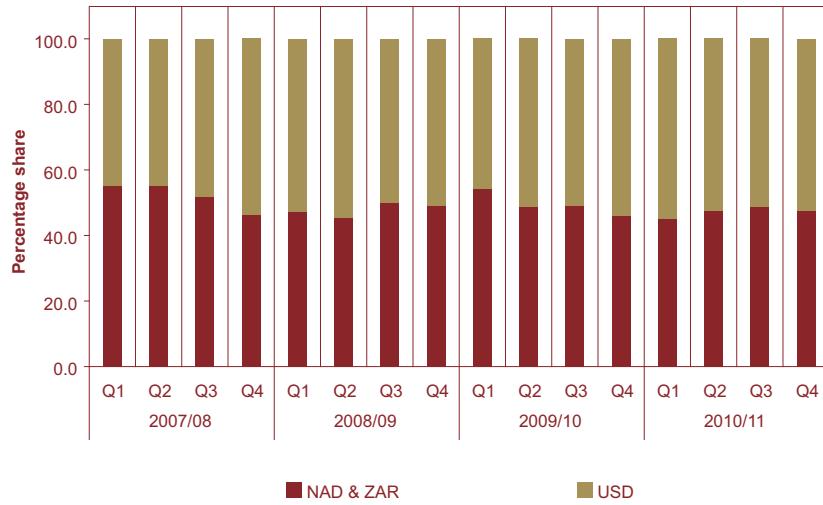
**Chart 4.5: Proportion of Government foreign loan guarantees by sector**



Source: MoF

The transport sector continued to dominate foreign loan guarantees followed by the energy sectors at the end of the fourth quarter of 2010/11. The share of foreign loan guarantees issued to the transport sector, which are mostly denominated in US Dollar, increased, quarter-on-quarter, at the end of the reference period but declined on an annual basis. In this connection, the share of loan guarantees to this sector, increased by 1.6 per centage points to 55.3 per cent, on a quarterly basis. This was followed by the energy and communication sectors, which represented 42.2 per cent and 2.6 per cent, respectively (Chart 4.5). The share of the energy sector to the total loan guarantees issued to foreign creditors, declined by 0.7 per centage point quarter-on-quarter from 42.9 per cent at the end of third quarter of 2010/11.

**Chart 4.6: Currency composition of Government foreign loan guarantees**



Source: MoF

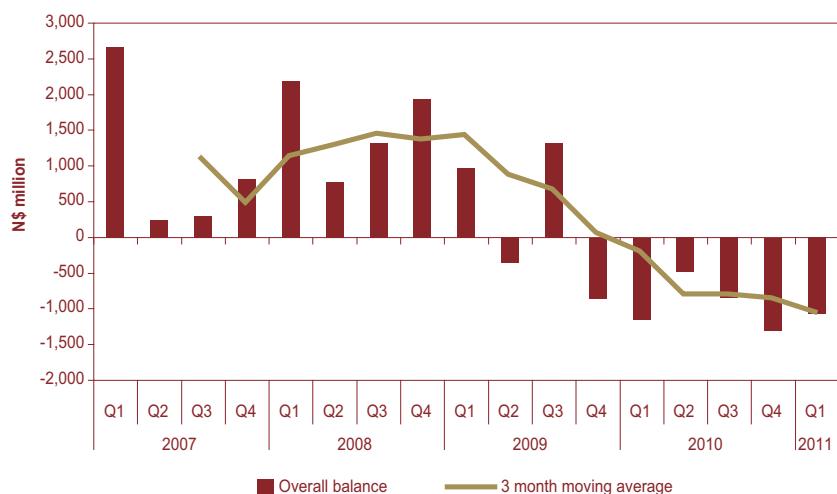
The share of the US Dollar denominated guarantees remained dominant and further increased by 0.8 per centage point to 52.1 per cent, at the end of the fourth quarter of 2010/11. The observed increase was due to increased guarantees related to the transport sector, on account of a weaker Namibia Dollar, at the end of the fourth quarter of 2010/11 when compared to the end of the preceding quarter. Year-on-year, the share of US Dollar denominated guarantees, however, decreased by 1.9 per centage points (Chart 4.6). On the other hand, the share of Namibia Dollar and South African Rand denominated loan guarantees decreased on a quarterly basis, while it increased on an annual basis to 47.9 per cent at the end of the reference period.



## FOREIGN TRADE AND PAYMENTS

Namibia's external balance was characterized by a narrowed deficit of N\$1.1 billion, representing a decline of 17.8 per cent during the first quarter of 2011 (Chart 5.1). Most of the impetus to this effect was mainly associated with *current account*, with support from some components within the *capital and financial account*. The usual current account transfer, predominantly SACU receipts, a substantial reduction in the investment income payments and reduced portfolio investment outflows, were the main forces behind the narrowing deficit in the *overall balance* of the balance of payments during the quarter under review. These were, however, outweighed by the opposite developments, spearheaded by the persistent net *other short-term investment* outflows, linked mainly to the banking sector and net merchandise trade payments. On the foreign exchange rate front, the Namibia Dollar depreciated against its major trading currencies namely; the US Dollar, Pound Sterling and Euro. Similar to the previous quarters, the international investment position (IIP) retained a surplus position, although this was much lower than the previous quarter due to higher incurred liabilities.

**Chart 5.1 : Overall balance**



## CURRENT ACCOUNT

During the first quarter of 2011, the *current account* recorded a relatively small surplus, following a noticeable deficit during the previous quarter. In this regard, the current account recorded a surplus of N\$73 million in the first quarter of 2011 (Table 5.1). This was a turnaround from the first ever deficit of N\$107 million during the previous quarter. This deficit was mainly due to a significant reduction in SACU receipts and increased investment income payments during that quarter. The surplus during the first quarter of 2011, was mainly attributed to categories, particularly net current transfers receipt, net services receipt and the reduced payments for investment income. This surplus was realized, despite a noticeable rise in deficit on merchandise trade.

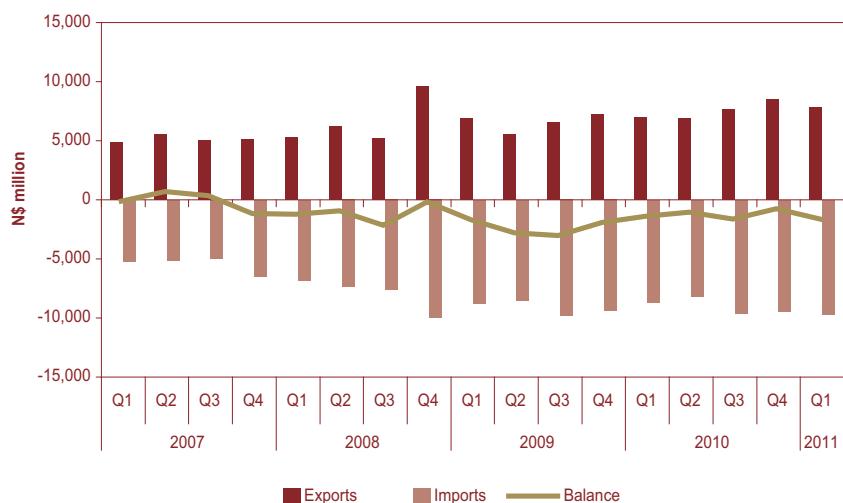
**Table 5.1 : Major current account categories (N\$ millions)**

	2009	2010					2011
	Q4	Q1	Q2	Q3	Q4	Q1	
<b>Merchandise exports</b>	<b>7 236</b>	<b>6 996</b>	<b>6 910</b>	<b>7 675</b>	<b>8 512</b>	<b>7 857</b>	
<i>Diamonds</i>	1 006	1 025	1 163	1 896	1 973	1 312	
<i>Uranium</i>	1 759	1 228	1 470	1 051	1 299	1 276	
<i>Other mineral products</i>	351	425	434	488	476	403	
<i>Food and live animals</i>	878	746	858	1 078	933	879	
<i>Manufactured products</i>	1 427	1 703	1 558	1 434	1 823	2 130	
<i>Other commodities</i>	1 815	1 869	1 428	1 728	2 009	1 857	
<b>Merchandise imports</b>	<b>-9 394</b>	<b>-8 647</b>	<b>-8 179</b>	<b>-9 565</b>	<b>-9 483</b>	<b>-9 692</b>	
<b>Merchandise trade balance</b>	<b>-2 157</b>	<b>-1 652</b>	<b>-1 269</b>	<b>-1 890</b>	<b>-970</b>	<b>-1 834</b>	
<i>Investment income (net)</i>	-110	-503	-583	-943	-1 248	-337	
<i>Direct investment (net)</i>	-602	-609	-1 010	-1 588	-1 669	-792	
<i>Portfolio investment (net)</i>	253	3	179	455	247	319	
<i>other investment (net)</i>	241	103	249	190	174	136	
<i>Current transfer (net)</i>	2 621	2 654	1 840	2 691	1 833	1 865	
<i>of which SACU</i>	2 146	2 146	1 287	2 140	1 287	1 287	
<b>Net services</b>	<b>580</b>	<b>18</b>	<b>366</b>	<b>373</b>	<b>323</b>	<b>421</b>	
<i>of which Travel</i>	469	467	564	646	478	432	
<b>Current account balance</b>	<b>419</b>	<b>468</b>	<b>329</b>	<b>212</b>	<b>-107</b>	<b>73</b>	

### Merchandise trade balance

Namibia's *trade balance* deteriorated during the first quarter of 2011, recording a wider *merchandise trade* deficit, quarter-on-quarter. This followed a noticeable decline in the export as opposed to the marginal rise in imports over the same period. In this connection, imports increased by 2.2 per cent to N\$9.7 billion, quarter-on-quarter, during the first quarter of 2011 (Chart 5.2). Affordability of imports on account of a stronger Namibia Dollar contributed to this rise in imports. In contrast, exports decreased noticeably by 7.7 per cent to N\$7.9 billion. As a result of these developments, the *merchandise trade* deficit widened, quarter-on-quarter, by N\$863 million to N\$1.8 billion during the first quarter of 2011.

**Chart 5.2: Merchandise trade**

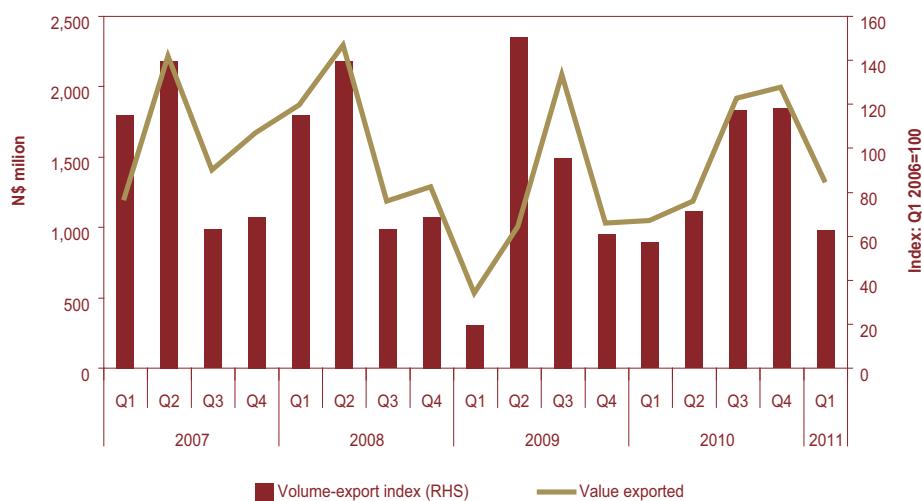


## Mineral exports

### Diamonds

Contrary to the recovering global demand in the commodity market, diamond exports dropped substantially by 33.5 per cent to N\$1.31 billion, quarter-on-quarter, during the first quarter of 2011 (Chart 5.3). The decline was mainly caused by the usual one-month sales break effected in February. However, diamond export earnings rose substantially, year-on-year, by 28.0 per cent during the first quarter of 2011, when compared to the same period of 2010. During the first quarter of 2011, diamond earnings stood at N\$1.8 billion, which was 29.0 per cent less than the export earnings recorded during the first three months of 2008. This implies that diamond export earnings remain below the pre-crisis levels, despite the observed steady market recovery.

**Chart 5.3: Diamond quarterly exports**

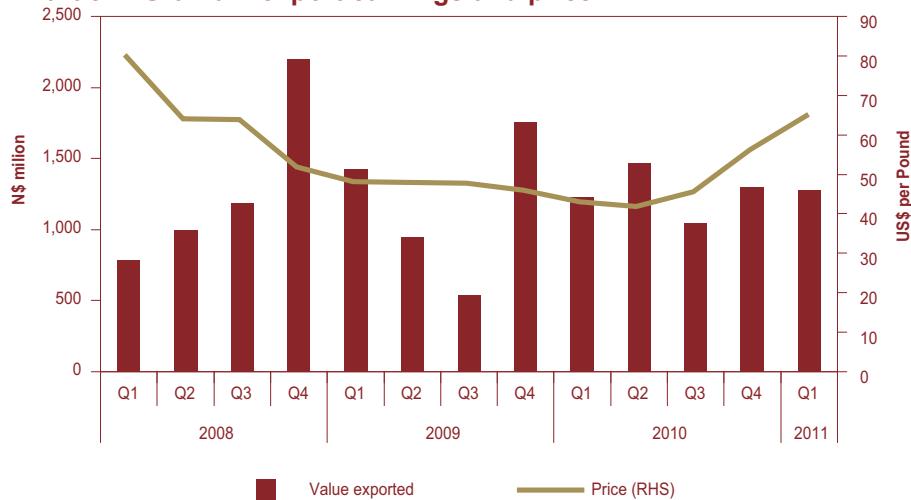


Source: MME and Namdeb

### Uranium

During the first quarter of 2011, uranium exports declined marginally by 1.7 per cent to N\$1.28 billion during the first quarter of 2011, when compared to the previous quarter (Chart 5.4). The decline in uranium was caused by heavy rain that disrupted mining operations. It, however, represented an increase of 3.9 per cent, year-on-year, when compared to the same period of 2010. The annual increase was more a reflection of increasing collective production capacity of uranium mines in Namibia, as the new mines intensify their operations, coupled with improved uranium prices observed since the third quarter of 2010. Uranium prices surged substantially by 15.4 per cent, quarter-on-quarter, to US\$64.1 per pound during the first quarter of 2011. The rise in the price was mainly driven by increased demand, especially from emerging markets, led by China.

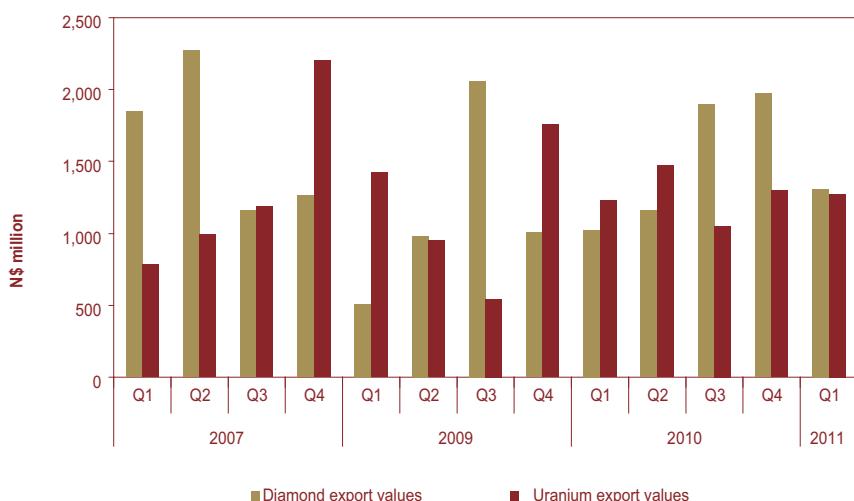
**Chart 5.4: Uranium export earnings and price**



Source: Rio Tinto and Langer Heinrich

Comparing the two minerals as reflected in Chart 5.5, diamond export earnings exceeded that of uranium during the first quarter of 2011 by a small margin, unlike in the third and fourth quarter of 2010 when uranium exceeded diamonds by significant margins. This suggests that although the performance of both major minerals had setbacks as specified above, uranium was worse off.

**Chart 5.5: Uranium export earnings versus diamond export earnings**

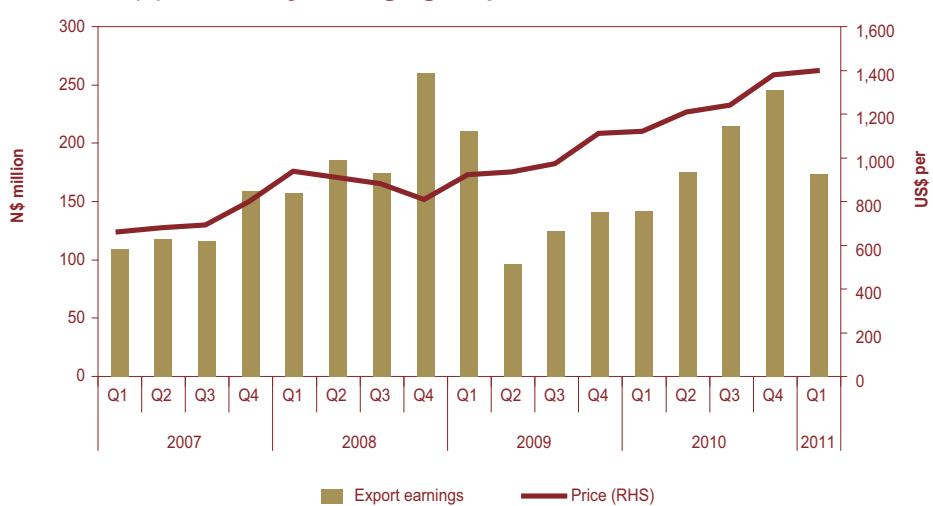


Source: MME, Namdeb, Rio Tinto and Langer Heinrich

## Other mineral exports

During the first quarter of 2011, export earnings of other minerals such as dimension stones and base metals excluding diamonds and uranium decreased by 5.4 per cent to N\$1.7 billion, when compared to the fourth quarter of 2010. However, on an annual basis, these minerals increased marginally by 1.6 per cent. The poor export earnings were mainly caused by unusual heavy rain that disrupted mining operations during the quarter under review. Similarly, the export earnings for gold displayed a decline of 29.3 per cent, quarter-on-quarter, to N\$174 million, also due to disruptive rain. Gold exports, however, displayed an increase of 22.7 per cent, when compared to the same quarter of 2010 (Chart 5.6 (a)). With regard to prices, gold price continued to increase significantly since the start of global economic crisis, although it rose only marginally by 1.2 per cent, quarter-on-quarter, during the first quarter. The persistent rise reflects the fact that doubt still exists among investors about the prospects of global recovery.

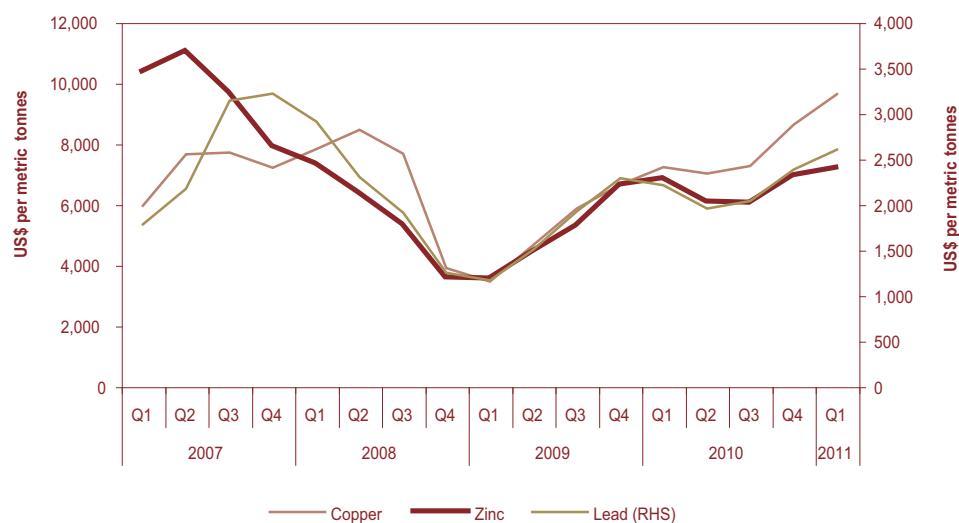
**Chart 5.6 (a): Quarterly average gold prices**



Source: IMF & London Metal Exchange

Prices for base metals, particularly copper, lead and zinc also rose substantially, quarter-on-quarter, during the first quarter of 2011 (Chart 5.6(b)). This was in line with the improved global economic recovery, which raised demand, especially from China, the world's largest consumer of metals.

**Chart 5.6 (b): Quarterly average mineral prices**



Source: IMF

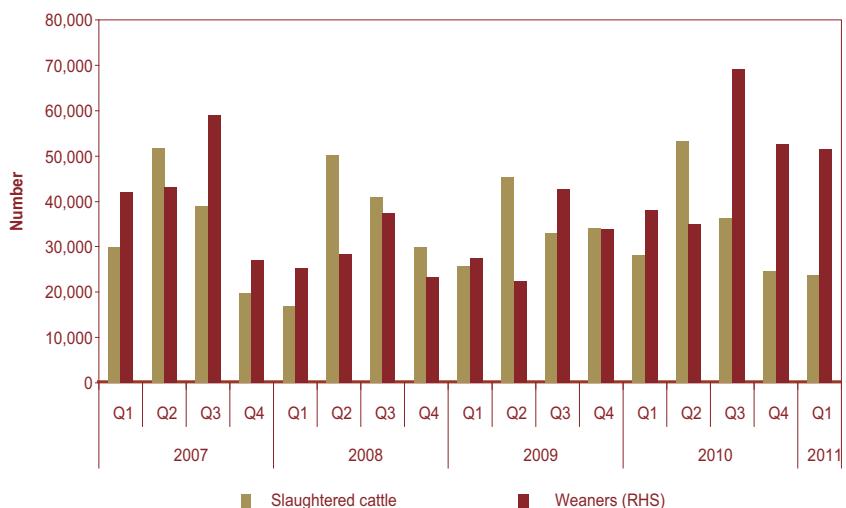
## Manufactured exports

Namibia's export earnings for *manufactured products* increased remarkably, quarter-on-quarter, by 16.9 per cent during the first quarter of 2011 from N\$1.8 billion recorded in the previous quarter. The rise was mainly ascribed to the increased inflow from diamond polishing activities and beer sales that rose both on a quarterly and annual basis. The increase in export receipts from diamond polishing was largely caused by the improved global demand for diamonds. These were, however, partially offset by the decline in the inflow from the sub-category *processed fish*, which was mainly affected by the struggling economies of the Euro area which absorbs most of the Namibian exported fish and fish products. Likewise, on an annual basis, earnings from manufactured exports increased substantially by 25.1 per cent from N\$1.7 billion recorded during the same quarter of 2010.

## Food and live animals

Export earnings for the *food and live animals* category decreased by 5.8 per cent during the first quarter of 2011, from N\$933 million registered in the previous quarter. The decline was reflected in the *other food products* category that deteriorated substantially by 64.4 per cent to N\$86 million during the first quarter of 2011. This was caused mainly by a substantial drop in the export receipts for grapes, the dominant item in this sub-category, by 74.0 per cent to N\$62.2 million, as its, prime season usually ends in the fourth quarter. The increase in other items under *other food products* category, such as live animals and meat and meat products showed relatively small increases. However, year-on-year, export earnings for the *food and live animals* category increased by 17.8 per cent during the first quarter of 2011, from N\$746 million recorded during the corresponding quarter of 2010. The rise, year-on-year, was mainly attributed to a large number of live animals, particularly live weaners exported to South Africa, following relatively more attractive prices in that market. In this regard, the number of weaners decreased marginally, quarter-on-quarter, by 2.6 per cent to 51 330 during the first quarter of 2011, but rose substantially by 35.3 per cent on a yearly basis from 37 932 recorded during the corresponding quarter of 2010 (Chart 5.7).

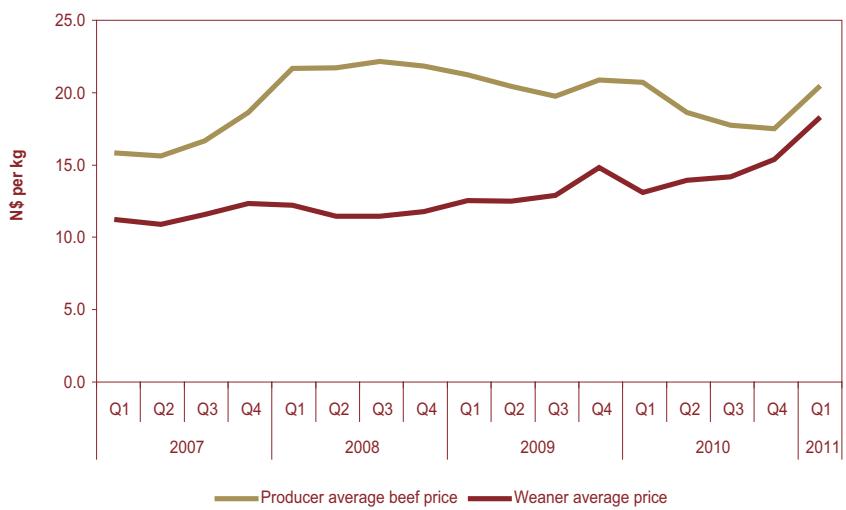
**Chart 5.7: Number of live weaners and slaughtered cattle exported**



Source: Meat Board of Namibia

The average beef producer price increased substantially by 16.2 per cent during the first quarter of 2011, compared with N\$17.4 per kilogram recorded during the previous quarter (Chart 5.8). Similarly, the price of weaners also increased markedly, quarter-on-quarter, by 18.6 per cent to N\$18.0 per kilogram during the quarter under review. The increased price in the local market was partly in response to that offered in the South African market, following a relatively higher demand for beef and weaners in that country during the quarter under review.

**Chart 5.8: Beef and weaner prices**

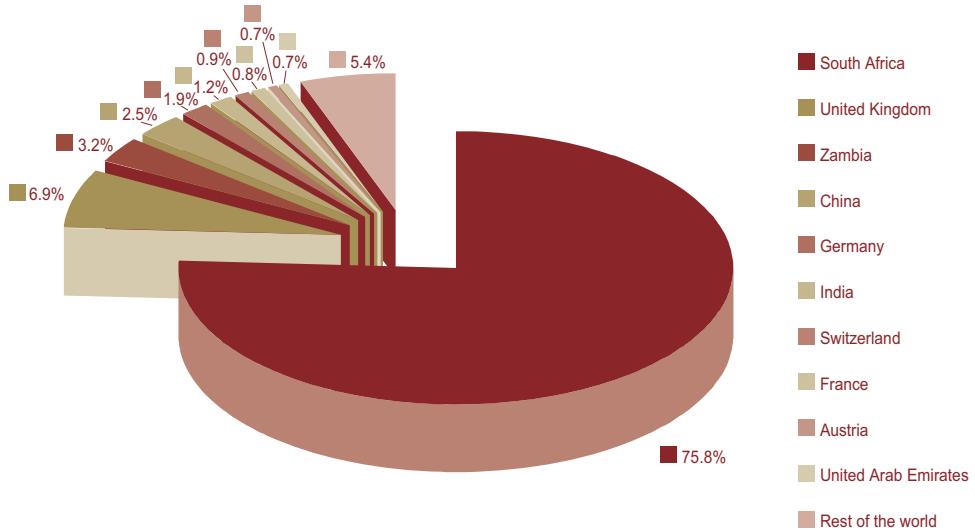


Source: Meat Board of Namibia

### Direction of trade by major commodities

With respect to imported products, South Africa remained Namibia's major trading partner during the first quarter of 2011, followed by the United Kingdom and Zambia (Chart 5.9). These countries contributed 75.8 per cent, 6.9 per cent and 3.2 per cent, respectively, to Namibia's total imports. The remaining 5.4 per cent originated from other countries such as, China, Germany, India, Switzerland and others around the world.

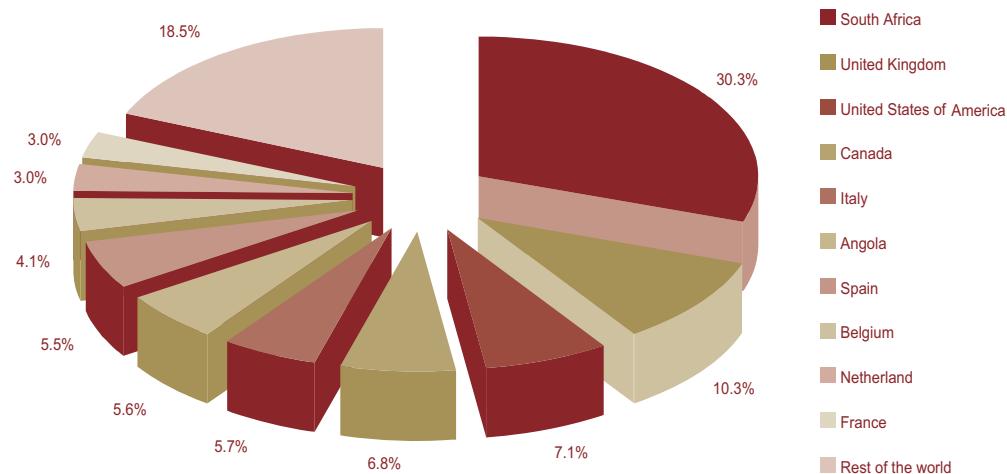
**Chart 5.9: Imports by origin (per centage share)**



Source: CBS

Similar to imports, South Africa remains the leading destination for Namibia's exports, predominantly live animals. In this regard, the South African market absorbed about 30.3 per cent of total exports from Namibia, followed by 10.3 per cent to United Kingdom and 7.1 per cent to USA (Chart 5.10). Countries such as Italy, Angola, Spain, Belgium and others also absorbed a sizable amount of the Namibian exported commodities during this quarter.

**Chart 5.10: Exports by destination (per centage share)**

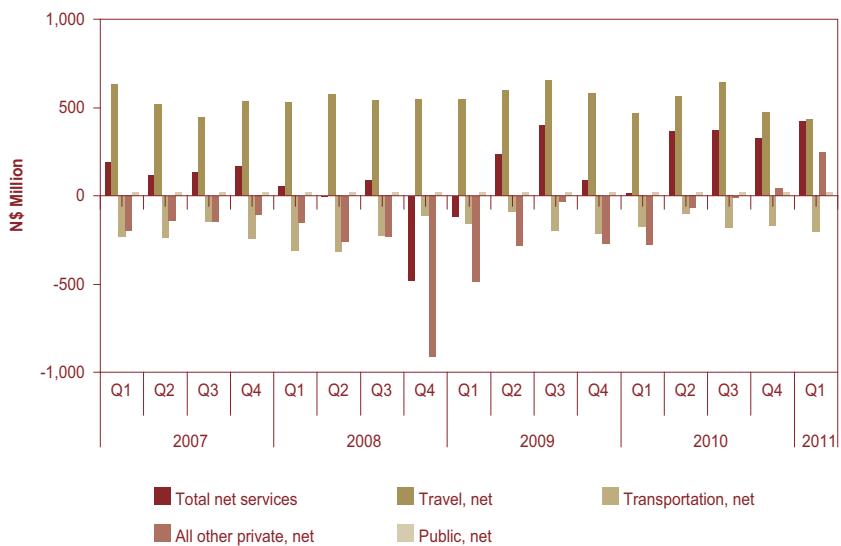


Source: CBS

## Services balance

During the first quarter of 2011, Namibia's *net services balance* recorded a surplus of N\$421 million, N\$98 million higher than the level observed in the previous quarter (Chart 5.11). A surplus of only N\$18 million was recorded during the same quarter of 2010. The quarterly increase was predominantly reflected in the net inflows of other private services sub-category, which rose significantly by N\$208 million, quarter-on-quarter, during the first quarter of 2011. This was mainly due to a significant increase in the smelting services rendered to foreign clients. The net services inflow balance was, however, offset by the net outflows from transport and insurance services over the same period, which rose in line with increased imports. In this regard, the outflows from transport services increased by 22.2 per cent to N\$206 million, quarter-on-quarter, during the first quarter of 2011, while the outflows from insurance services rose substantially by N\$26 million to N\$73 million over the same period.

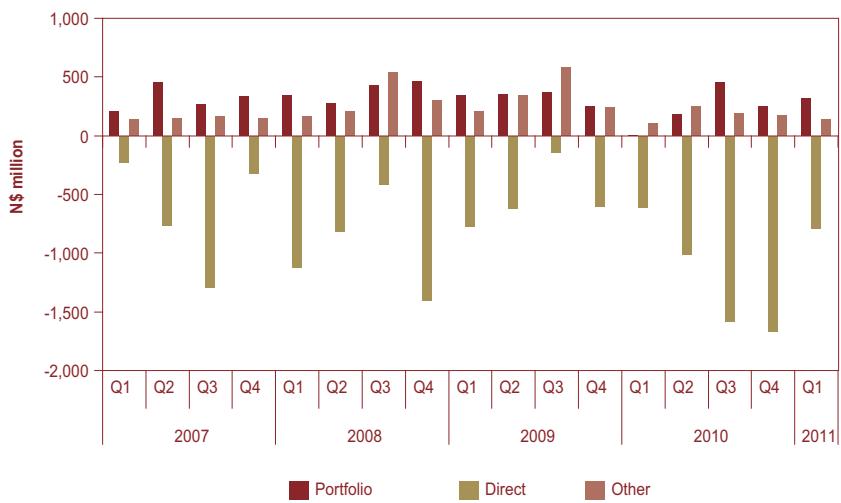
**Chart 5.11: Services, net**



### Net investment income

*Net investment income* for Namibia recorded a lower deficit during the first quarter of 2011, when compared to a higher deficit in the previous quarter. The improvement was attributed mainly to increased income receipts on *portfolio investment* and the significant reduction in the net payment from direct investment sub-accounts during the first quarter of 2011. In this regard, net receipts from *portfolio investment* increased substantially by 29.2 per cent to N\$319 million, while net outflows from direct investment dropped by 52.6 (Chart 5.12).

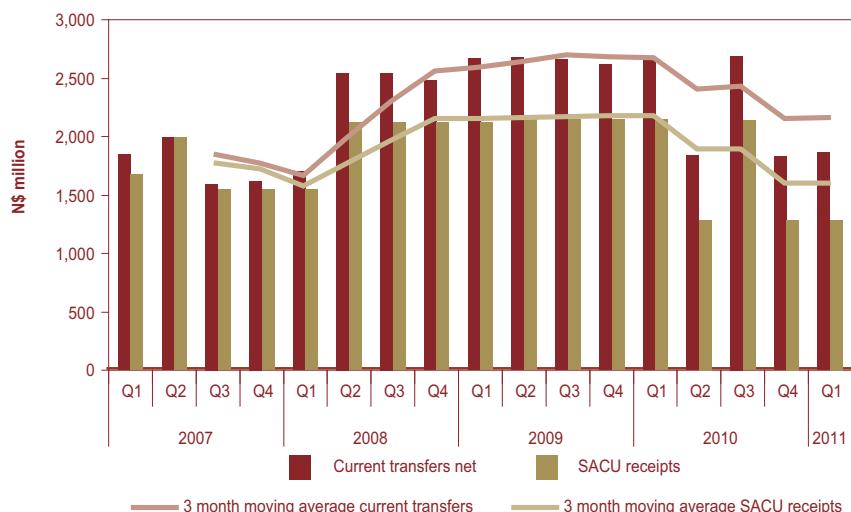
**Chart 5.12 : Investment income, net**



### Net current transfers

Namibia's *net current transfers* receivable increased marginally by 1.8 per cent, quarter-on-quarter, to N\$1.9 billion, during the first quarter of 2011 (Chart 5.13). This was largely due to increased quarterly inflows from the *development assistance* sub-category by 10.0 per cent to an estimated N\$650 million. The assistance from abroad followed the devastating rain and the resulting floods that was observed almost throughout the entire country. The net inflow transactions were off-set mainly by a significant drop of N\$26 million in withholding tax transferred from N\$40.0 million recorded during the previous quarter. In the meantime, the inflow of SACU transfers remained constant at N\$1.3 billion, the same as in the fourth quarter of 2010. On a yearly basis, however, net current transfers receivable dropped substantially by 30.0 per cent from N\$2.7 billion recorded during the corresponding quarter of 2010. The decrease was on account of lower SACU transfer receipts during the first quarter of 2011.

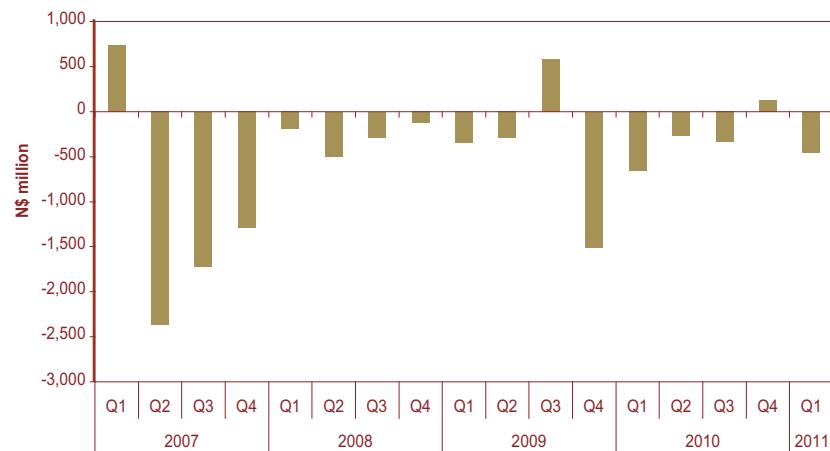
**Chart 5.13: Current transfers**



## Capital and Financial Account

The *capital and financial* account balance registered a deficit during the first quarter of 2011 compared to a surplus during the preceding quarter. This development reflects substantial outflows from *other short-term investment* by the banking sector supported by a significant slowdown in foreign direct investment. Meanwhile, *portfolio investment* continued to record net outflows, although slightly lower than the level registered during the previous quarter. These developments together resulted in a capital and financial account deficit of N\$452 million, a turn around from a surplus of N\$126 million recorded in the previous quarter (Chart 5.14). In comparison to the same period in 2010, however, the capital and financial account recorded a lower deficit by N\$124 million.

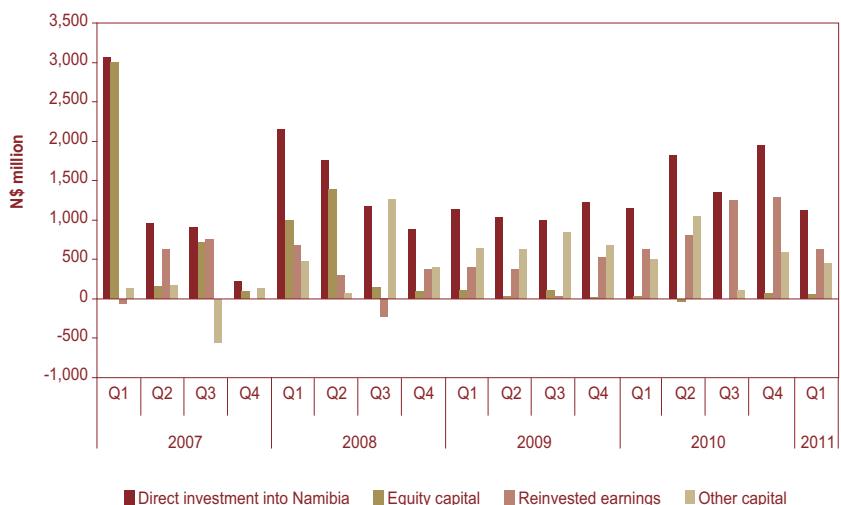
**Chart 5.14: Capital and Financial account**



## Foreign direct investment

*Foreign direct investment* (FDI) into Namibia fell substantially by 42.0 per cent, quarter-on-quarter, to N\$1 billion during the first quarter of 2011 (Chart 5.15). The reduction in FDI can be explained by a substantial decline in retained earnings supported by a decline in both equity and other capital invested in the local economy over the period. This inflow is, however, equivalent to the level of N\$1 billion recorded during the corresponding quarter of 2010. Correspondingly, *reinvested earnings* fell to N\$629 million from a much higher level of N\$1 billion during the preceding quarter. This development was accounted for by unfavourable earnings, especially of mining enterprises, whose production slowed significantly as a result of heavy rain and floods during the reference period. Similarly, *other- and equity capital* slowed by 24.1 per cent and 29.2 per cent to N\$447 million and N\$50 million, respectively, over the same period as a result of reduced borrowing and investment in equity when compared to the previous quarter.

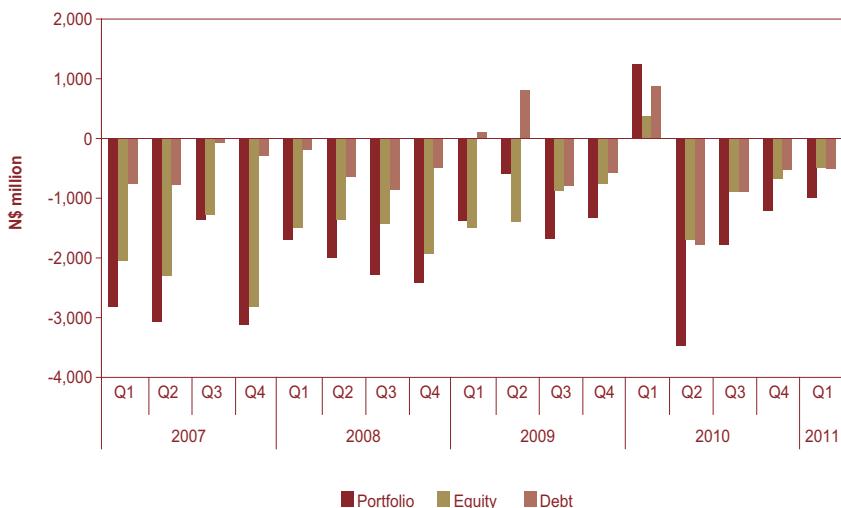
**Chart 5.15: Foreign direct investment**



## Portfolio investment

During the first quarter of 2011, *portfolio investment* continued to record outflows amounting to N\$994 million, although lower than an outflow of N\$1 billion posted in the last quarter of 2010. The observed slowdown in *portfolio investment* outflow was manifested mainly in equity instruments abroad while debt instruments abroad increased somewhat when compared to the previous quarter. In this regard, equity investment abroad fell from an outflow of N\$686 million at the end of the previous quarter to N\$490 million. Similarly, debt outflows decreased slightly to N\$504 million during the first quarter of 2011 (Chart 5.16). On an annual basis, the outflow on *portfolio investment* overturned from an inflow of N\$1.3 billion registered during the corresponding period of last year, due to major disinvestments by some major companies, as they restructured their portfolios.

**Chart 5.16: Portfolio investment**



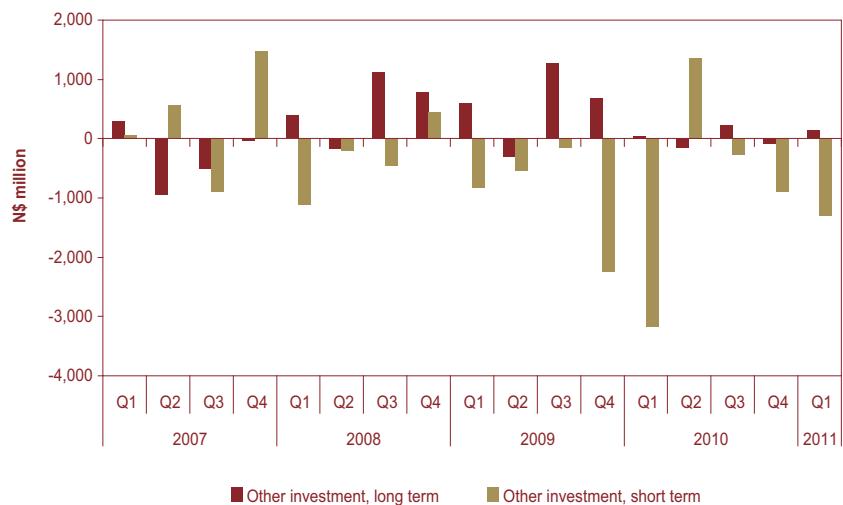
## Other long-term investment

*Other long-term investment* category reversed from an outflow of N\$79 million during the last quarter of 2010 to record an inflow of N\$147 million during the review period (Chart 5.17). This reversed flow resulted from rising liabilities of other sectors with foreign lenders, which amounted to N\$155 million. During the same quarter in 2010, *other long-term investment* also recorded a similar inflow, although it was much lower at N\$40.0 million.

## Other short term investment

Contrary to *other long term investments*, Namibia's *other short-term investment*, which refers to investments with original contractual maturity of one year or less, recorded an outflow of N\$1 billion during the first quarter of 2011 as compared to an outflow of N\$893 million of the previous quarter. This was, however, much lower than an outflow of N\$3 billion registered during the same quarter of 2010 (Chart 5.17). The high outflows in the *other short term investments* category was rooted in a substantial decline in the foreign assets of the local banking sector, which moved from a net inflow of N\$689 million to a net outflow of N\$2 billion over the review period.

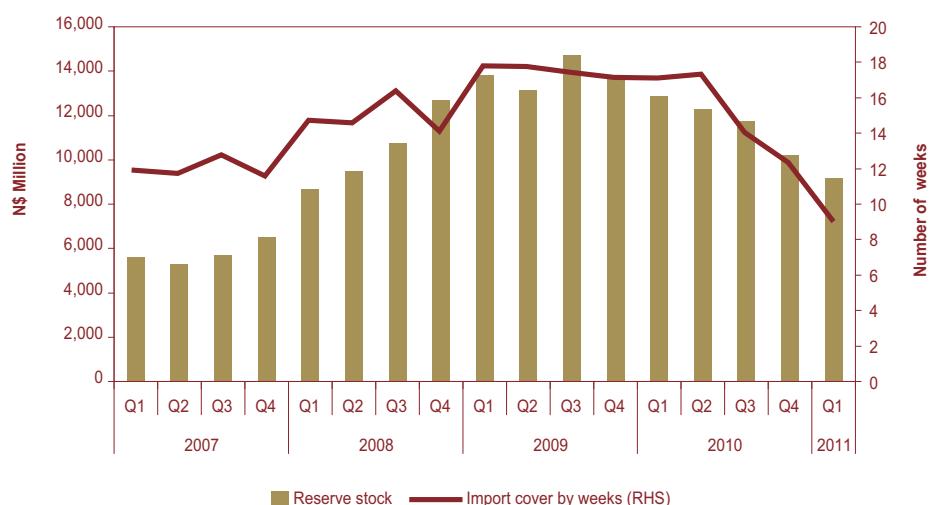
**Chart 5.17: Other long-term and short-term investments**



## Stock of international reserves

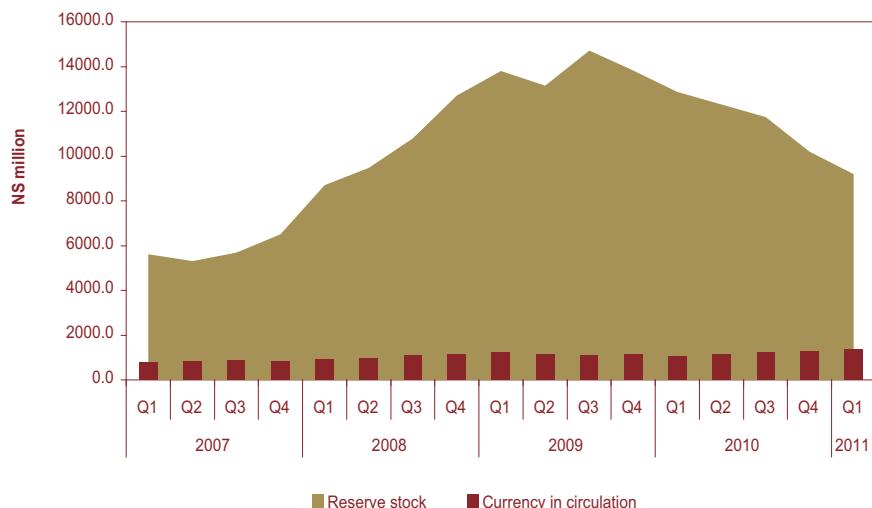
The stock of *international reserves*, held by the Bank of Namibia, declined significantly from N\$10.2 billion to N\$9.2 billion at the end of the first quarter of 2011 (Chart 5.18). The key contributing factors to this development were the quarterly net commercial banks purchases of ZAR amounting to N\$2.2 billion coupled with net Government payments of N\$103.8 million. These drawdown effects on the reserves were, however, slightly offset by significant inflows registered over the same period. This consisted of SACU receipts amounting to N\$1.3 billion, ZAR notes repatriated of N\$150 million and interest income amounting to N\$68.3 million. Similarly, the stock of international reserves declined by 28.7 per cent in relation to the corresponding quarter of 2010. Corresponding to declining foreign exchanges as alluded to earlier, the weeks of import cover for Namibia deteriorated further to 9.5 weeks from 12.4 weeks.

**Chart 5.18 Quarterly international reserves stock and import cover**



In terms of sustaining the fixed peg to the South African Rand, the level of foreign reserves still remains sufficient (Chart 5.19). The fixed currency peg arrangement to which Namibia subscribes requires the country to fully back its currency in circulation with international reserves in order to import stable prices from South Africa. In line with that, the currency in circulation at the end of the first quarter of 2011 remains fairly below N\$2 billion and as such the reserve stock of N\$9 billion is more than sufficient.

**Chart 5.19 Quarterly international reserves stock and currency in circulation**

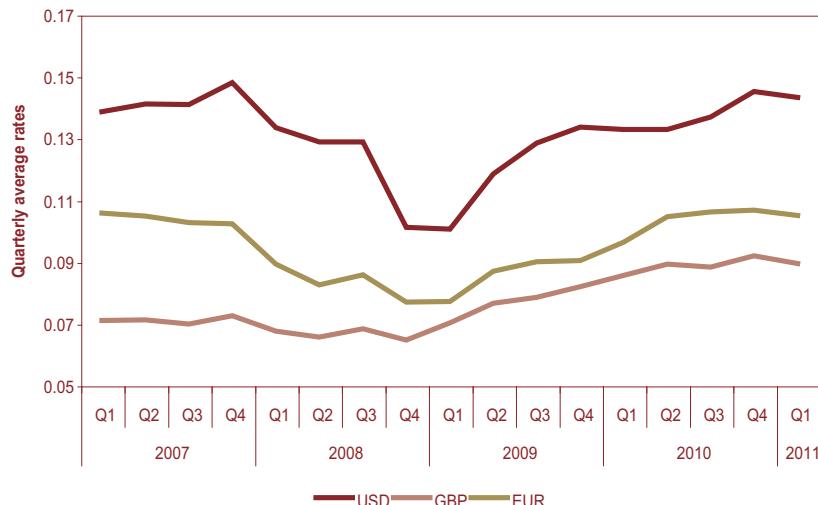


## 4.2 Exchange Rates<sup>24</sup>

During the first quarter of 2011, the Namibia Dollar (NAD) weakened against the US Dollar (USD), British Pound (GBP) and Euro (EUR) when compared to the final quarter of 2010 (Chart 5.20). In this regard, the NAD depreciated against the USD by 1.4 per cent, 2.7 per cent against the GBP and 1.8 per cent against the EUR. The appreciation of the USD against the NAD could primarily be attributed to robust economic fundamentals, particularly from the manufacturing sector, overall improving conditions in the labor market, coupled with expectations of loose monetary policy in the US. The appreciation of the GBP against the NAD, on the other hand, arose from news of possible interest rate hikes in the medium to long term aimed at curbing inflationary pressures. Inflation rates in the UK have continued to remain above the government's upper limit of 3.0 per cent. With regards to the EUR, its appreciation against the NAD during the first quarter was linked to the European leader's commitment to overhaul the Euro Area's €440 billion bailout package to achieve a more flexible funding facility. This yielded positive sentiments to the market and thereby assisted the appreciation of the EUR. Furthermore, the EUR benefited from market expectations that the European Central Bank (ECB) would be aggressive in hiking interest rates in the wake of high inflation rates in the peripheral Euro Area economies.

<sup>24</sup> The Namibia Dollar (NAD) trades one to one against the South African Rand (ZAR) and is therefore referred to interchangeably. The rates being referred to in this section are mid rates in foreign cent units, unless mentioned otherwise; and are period averages for the respective exchange rates.

### Chart 5.20: Selected foreign currencies per Namibia Dollar



On average, the NAD traded at N\$7.0006, N\$11.2152 and N\$9.5656 versus the USD, GBP and the EUR, respectively, during the first quarter of 2011 (Table 5.2). Year-on-year, however, the NAD appreciated against the USD, GBP and EUR by 7.2 per cent, 4.5 per cent and 8.1 per cent, respectively. The appreciation of the NAD vis-a-vis these currencies could be explained by weak economic fundamentals in those countries.

**Table 5.2: Exchange rate developments: Major foreign currency per NAD**

Period	Quarterly averages			Changes (%)					
				Quarter-on-quarter			Year-on-year		
	USD	GBP	EUR	USD	GBP	EUR	USD	GBP	EUR
<b>2008</b>									
Q1	7.5352	14.9127	11.3033	11.4	7.7	15.3	4.1	5.4	19.2
Q2	7.7786	15.3173	12.1583	3.2	2.7	7.6	9.5	8.6	27.0
Q3	7.7814	14.7023	11.6922	0.0	-4.0	-3.8	9.4	2.4	19.7
Q4	8.4588	15.1009	11.9774	27.4	5.9	11.6	46.5	12.5	33.1
<b>2009</b>									
Q1	9.9655	14.2980	12.9956	0.5	-8.2	-0.4	32.3	-4.1	15.0
Q2	8.4807	13.4594	11.5448	-14.9	-8.2	-11.2	9.0	-14.3	-5.0
Q3	7.8054	12.8042	11.1565	-8.0	-2.4	-3.4	0.3	-12.9	-4.6
Q4	7.4970	12.2492	11.0858	-4.0	-4.3	-0.6	-24.4	-21.3	-15.1
<b>2010</b>									
Q1	7.5457	11.7408	10.4074	0.6	-4.2	-6.1	-24.3	-17.9	-19.9
Q2	7.5413	11.2452	9.5979	-0.1	-4.2	-7.8	-11.1	-14.3	-16.9
Q3	7.3277	11.7408	9.4523	-2.8	1.0	-1.5	-6.1	-11.3	-15.3
Q4	6.9064	10.9212	9.3956	-5.7	-3.8	-0.6	-7.9	-10.8	-15.2
<b>2011</b>									
Q1	7.0006	11.2152	9.5656	1.4	2.7	1.8	-7.2	-4.5	-8.1

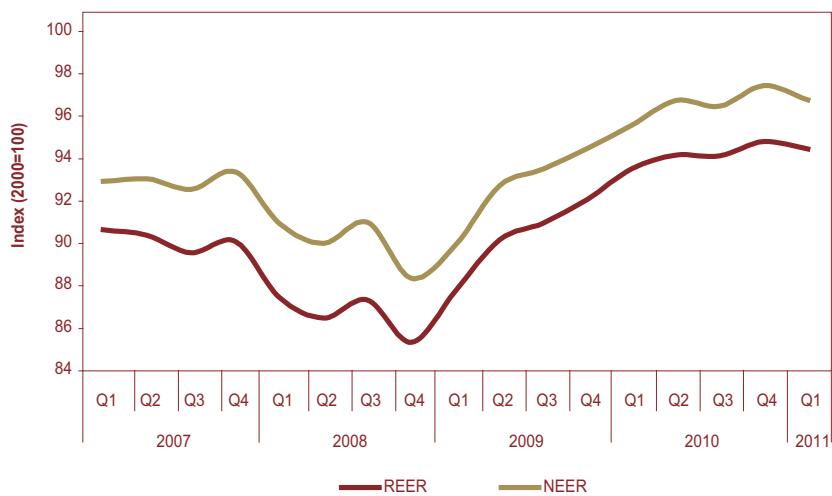
Source: South African Reserve Bank

### Trade weighted effective exchange rates<sup>25</sup>

The nominal effective exchange rate (NEER) index for Namibia depreciated slightly during the first quarter of 2011, to 96.6 compared to a level of 97.3 recorded in the preceding quarter. This represents a 0.7 per cent trade weighted depreciation of the NAD against the currencies of Namibia's major trading partners. Similarly, the real effective exchange rate index (REER), also depreciated slightly, quarter-on-quarter to 94.3 from a level of 94.7 recorded in the preceding quarter (Chart 5.21). A depreciation of the REER is a favorable development for trade as it implies that Namibian export products remained competitive on the international market.

<sup>25</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., the Rand, Pound Sterling, Yen, US Dollar and Euro. The REER, on the other hand, takes the NEER and deflates it with the relative consumer price indices of Namibia and major trading partners.

**Chart 5.21: Trade weighted effective exchange rate indices**



On a yearly basis, however, the trade weighted effective exchange rate of the local currency appreciated against the same currencies. In this regard, the REER and the NEER appreciated by 1.0 per cent and 1.2 per cent respectively, during the first quarter of 2011 compared to the first quarter of 2010.

## INTERNATIONAL INVESTMENT POSITION

Namibia's International Investment Position (IIP) maintained a net surplus position at the end of the first quarter of 2011, with the resident's stock of foreign assets held abroad exceeding their foreign liabilities. In this regard, a surplus position of N\$22 billion was recorded at the end of the first quarter of 2011, although this declined by 6.2 per cent from the stock at the end of the preceding quarter (Table 5.3). The major contributor to the surplus position remained *portfolio investment* abroad, while the category *direct investment* in Namibia continued to be the country's most significant liability.

**Table 5.3: International investment position (N\$ million)**

	2009				2010				2011
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Assets</b>	<b>59 294</b>	<b>68 522</b>	<b>70 000</b>	<b>74 753</b>	<b>69 109</b>	<b>69 798</b>	<b>72 670</b>	<b>68 576</b>	<b>68 985</b>
Direct investment abroad	101	106	510	505	527	283	322	335	269
Portfolio investments	32 806	36 853	35 466	42 238	34 770	33 749	36 717	33 487	35 609
Other investments	12 556	18 407	19 304	18 182	20 937	23 452	23 998	24 546	23 925
International reserves	13 832	13 156	14 720	13 828	12 875	12 314	11 634	10 208	9 183
<b>Liabilities</b>	<b>42 569</b>	<b>42 045</b>	<b>28 327</b>	<b>30 892</b>	<b>35 383</b>	<b>37 171</b>	<b>28 432</b>	<b>45 318</b>	<b>47 175</b>
Direct investment into Namibia	34 170	33 985	19 491	23 117	27 888	29 833	20 553	35 372	36 109
Portfolio investments	584	584	584	584	584	584	584	584	584
Other investments	7 815	7 476	8 252	7 191	6 911	6 754	7 295	9 361	10 482
<b>Net asset (+)/liability (-)</b>	<b>16 725</b>	<b>26 477</b>	<b>41 674</b>	<b>43 861</b>	<b>33 726</b>	<b>32 627</b>	<b>44 238</b>	<b>23 258</b>	<b>21 810</b>

## Assets

Namibia's foreign assets grew slightly by 0.6 per cent to N\$69 billion at the end of the first quarter of 2011, as opposed to the decline recorded at the end of the previous quarter. On an annual basis, a slight decline of 0.2 per cent was, however, recorded from N\$69 billion registered at the end of the corresponding quarter of 2010.

Foreign assets stock in the form of *portfolio investment* increased to N\$36 billion at the end of the first quarter, representing a growth of 6.3 per cent when compared to the previous quarter. Contributing to this growth, quarter-on-quarter, was the significant increase in equity securities abroad, which rose by 13.9 per cent during the first quarter of 2011 from the previous quarter. In contrast, on an annual basis, investment in portfolio assets increased at a slow pace of 2.4 per cent from N\$35 billion in the corresponding quarter of 2010.

*Other investment* assets, the second biggest category of the Namibian assets held abroad after *portfolio investment*, recorded a decline of 2.5 per cent to N\$24 billion at the end of the first quarter of 2011. The observed decline, quarter-on-quarter, was primarily due to a reduction in claims by resident non-bank companies under this category.

## Liabilities

The foreign liability position for Namibia, increased by 4.1 per cent at the end of the first quarter of 2011 to N\$47 billion, compared to its position at the end of the previous quarter. A higher level of FDI into Namibia during the first quarter was the key driver behind the increased level of foreign liabilities. In this regard, FDI liabilities increased by 2.1 per cent at the end of first quarter to N\$36.1 billion compared to the level at the end of the preceding quarter. The quarterly growth in FDI was largely reflected in the sub-category other capital investments, which increased significantly by 20.4 per cent, as domestic companies substantially increased their loan repayments. Likewise, on an annual basis, a significant increase of 29.5 per cent was observed in FDI from the level recorded at the end of the same quarter of 2010.

*Other investment liabilities*, the second largest category of Namibian foreign liabilities, increased significantly by 12.0 per cent to N\$11 billion at the end of the first quarter of 2011, when compared to the previous quarter. The increased liabilities incurred by non-resident banks, Central Government and EPZ companies contributed to the rise recorded at the end of the quarter.

The developments in both the asset and liability positions of the country resulted in the IIP recording a net asset position of N\$22 billion at the end of the first quarter of 2011, compared to N\$23 billion at the end of the previous quarter. On an annual basis, the IIP net asset surplus position was, however, much lower, declining substantially by 35.3 per cent as a result of higher incurred liabilities during the quarter under review.

## External debt<sup>26</sup>

Namibia's external debt stock increased significantly by 11.3 per cent to N\$22.4 billion at the end of the first quarter of 2011 when compared to its stock level at the end of the previous quarter. The increase emanated primarily from a weaker exchange rate and increased borrowing requirements by the *private sector* and *Central Government* whose debt obligations rose by 23.9 per cent and 8.4 per cent, respectively. Similarly, on an annual basis, external debt increased substantially by 32.9 per cent from N\$16.9 billion at the end of the corresponding quarter of 2010. The *private sector* continues to constitute the largest portion of Namibia's external debt, accounting for 79.4 per cent while *Central Government* and *Parastatals* hold the remaining 14.4 per cent and 6.2 per cent, respectively (Table 5.4).

<sup>26</sup> The external debt analysed under this section is only limited to loans requiring repayments over time, and excludes other types of external liabilities, for example, loans extended between related enterprises, which is captured under the sub-category other capital, etc. The exclusion is because such type of loans constitutes different arrangements with special treatment afforded to each other, which is different from any ordinary type of loan.

**Table 5.4: Namibia's total foreign debt (N\$ million)**

	2009			2010				2011
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>N\$ Millions</b>								
<b>Foreign debt outstanding</b>	<b>17 869.0</b>	<b>12 366.6</b>	<b>15 897.4</b>	<b>16 853.1</b>	<b>18 213.9</b>	<b>15 197.9</b>	<b>20 129.1</b>	<b>22 406.1</b>
Central Government	3 276.7	3 050.2	3 322.0	3 046.5	2 929.7	2 965.5	2 986.1	3 237.1
Parastatals	1 598.7	1 391.2	1 510.1	1 568.8	1 456.1	1 401.1	1 401.1	1 388.6
Private sectors	12 994.0	7 925.0	11 065.4	12 237.8	13 828.1	10 831.3	14 347.1	17 780.4
<b>Foreign debt services</b>	<b>570.5</b>	<b>1 012.2</b>	<b>1 455.7</b>	<b>637.3</b>	<b>492.5</b>	<b>157.2</b>	<b>338.9</b>	<b>933.6</b>
Central Government	53.5	545.5	53.7	137.9	60.4	72.1	35.2	69.7
Parastatals	0.0	207.5	0.0	1.7	3.7	0.0	0.0	0.0
Private sectors	517	259.3	1 402.1	497.7	428.4	85.1	303.8	863.8
<b>Per centage</b>								
Outstanding Debt Q-on-Q	-3.1	-30.8	28.6	6.0	8.1	-16.6	31.7	11.3
Debt Service Q-on-Q	74.3	77.4	43.8	-56.2	-22.7	-68.1	115.6	175.4
Debt Service to Exports f.o.b	10.3	15.4	20.1	9.1	7.1	2.0	4.0	11.9
Memorandum								
Exports f.o.b	<b>5 551.5</b>	<b>6 576.8</b>	<b>7 236.4</b>	<b>6 995.7</b>	<b>6 910.0</b>	<b>7 675.5</b>	<b>8 512.3</b>	<b>7 857.4</b>

External debt held by the Namibian *private sector* increased substantially at the end of the first quarter of 2011 to N\$17.8 billion, from N\$14.3 billion at the end of the previous quarter. The primary reason for the increment could be attributed to increased borrowing requirements as well as a weaker exchange rate. As a result, the outstanding debt stock of *Central Government* increased by 8.4 per cent to N\$3.2 billion at the end of the first quarter. Similarly, on an annual basis, the debt stock increased by 11.3 per cent. On the contrary, *parastatal* debt stock decreased slightly to N\$1.4 billion, quarter-on-quarter and significantly by 11.5 per cent year-on-year, at the end of the first quarter.

Debt servicing had more than doubled at the end of the first quarter of 2011 when compared to the previous quarter. The increase was driven by significant repayments of debt by the *private sector* and *Central Government* to the tune of N\$863.8 million and N\$69.7 million, respectively. Likewise, on an annual basis, the amount of debt servicing increased by a significant amount of 46.5 per cent compared to the same period in 2010.

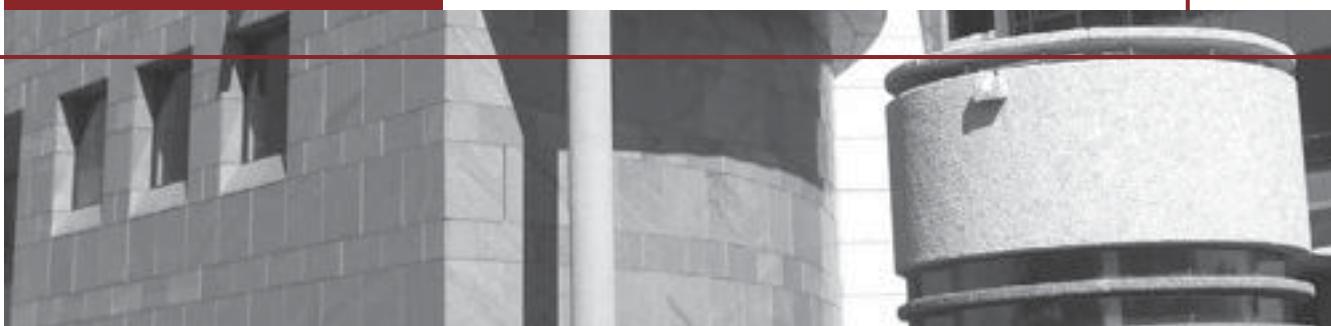
The ratio of debt servicing to exports<sup>27</sup> rose to 11.9 per cent during the first quarter of 2011, compared to 4.0 per cent recorded during preceding quarter. The rise in this ratio stemmed from an increase debt servicing by the private sector and Central Government and slightly lower exports during the quarter under review. This ratio remains below the international benchmark<sup>28</sup> of 15.0 - 25.0 per cent.

<sup>27</sup> Debt service as a per centage of merchandise exports is a good measure of how serviceable debt is because higher growth rates in exports builds up international reserves, which in turn are used to service foreign debt. Therefore, the lower the per centage ratio, the better.

<sup>28</sup> The international benchmark values give an assessment of the country's risk of debt distress. If the ratio falls below the minimum threshold of 15.0 per cent, then the country is seen to meet its debt service obligations. Should the threshold of 25.0 per cent be breached, then the country would be considered to be in debt distress, in which case stringent policy interventions may need to be taken.

## PART B

### MONETARY POLICY REVIEW



## I. INTRODUCTION AND OBJECTIVES

It is of significant importance to the Bank of Namibia that its monetary policy be understood by a wider public. The Bank strives to address this by publishing this bi-annual monetary policy review. This section assesses the conduct of monetary policy and the main factors that were taken into consideration during the formulation process since the publication of the last review in December 2010. This review covers the period from November 2010 to April 2011. In addition to the assessment of monetary policy, the review also gives the Executive Committee (EC)'s view on the outlook for both domestic and international economy and inflation.

The objective of monetary policy in Namibia is to achieve and maintain price stability. The achievement and maintenance of price stability entails low inflation which is supported by stable exchange rate. This goal is pursued with the understanding that price stability will lead to confidence in the Namibian economy. The recovery in the global economy continued during the second half of 2010 as growth in advanced economies picked up while emerging economies continued to expand at a robust pace. According to the International Monetary Fund's World Economic Outlook (WEO) report April 2011, the global economic growth is estimated to be 5.0 per cent in 2010. For 2011 growth is projected to be 4.5 per cent, with advanced economies projected to grow by 2.5 per cent and emerging and developing countries by 6.5 per cent. The outlook for economic growth in advanced economies remained positive, supported by low interest rates. However, at the beginning of 2011, this outlook somewhat changed as the threat from the potential sovereign debt crises in peripheral European countries, the disasters in Japan and political unrest in North Africa and Middle East (MENA) became eminent.

The Namibia economy is estimated to have expanded strongly by around 4.6 per cent in 2010, mainly attributed to satisfactory growth in the primary sector, notably mining. This was reflected in the global demand for raw materials which increased during the period under review, and led to higher international prices of major commodities.

Notable domestic economic indicators during this period includes the improved Government's fiscal position and increased business activities in the private sector. Annual overall inflation remained moderate for much of the review period, but increased slightly towards the end of the review period. This increase was mainly attributed to the rise in the cost of food and fuel during the current assessment period.

Besides a single cut of 25 basis points at the beginning of the review period, the Bank continued to maintain a neutral approach to its monetary policy stance during the period by keeping the Repo rate at 6.0 per cent at all subsequent meetings. It was necessary for the EC to take a cautious approach and maintain a neutral position considering the heightened uncertain environment in which monetary policy was conducted.

The remainder of the Review is organised as follows; Section II discusses key variables that formed the basis of the monetary policy stances while section III outlines the monetary policy stances taken during the period under review. Section IV gives an assessment of the monetary policy by looking at how real variables responded. Section V gives the Bank's forward view on the economic and inflationary outlook both at the global and domestic levels going forward. Section VI concludes.

## II. MONETARY POLICY CONSIDERATIONS

In addition to the adequacy of the official international reserves<sup>29</sup>, which forms the primary basis for the monetary policy in Namibia, the EC also considered other international and domestic economic and financial indicators in the monetary policy formulation process. Some of the indicators that were considered during the period under review are described below.

### a) International economic developments

The EC considered key developments on the international front and their implications to the domestic economy. The general view of the EC at the initial stage of this assessment period was that the recovery in the global economy continued at a favourable pace as growth in advanced economies picked up while emerging economies continued to expand at a robust pace. However, due to the continued uneven growth pattern between advanced and emerging market economies, the EC still viewed the global recovery as following a two-speed growth path (i.e. emerging economies growing faster than advanced economies). The GDP figures for the fourth quarter pointed to a robust growth in industrial output and trade. The export industry in the advanced economies benefited further from the vigorous demand coming from the emerging economies.

Towards the end of the review period, the EC's view somewhat changed particularly at the back of rising concerns about the European debt crisis. Concerns about rising government deficits and debt levels across Europe followed by a wave of downgrading of European government debt created alarm in financial markets across the globe. More concerns about the recent events of the political unrest in MENA and the earthquake and tsunami in Japan raised fears that might further adversely impact the recovery. These recent events affected the manner in which the EC viewed global economic outlook. By the time the EC met for their last meeting of the current review period, their outlook of the global economy had become less optimistic compared to what it was at the beginning of the assessment period.

### b) International monetary policy developments

The domestic monetary policy stance was also considered against the international monetary policy development. The EC noted that the global monetary policy remained expansionary, particularly in advanced economies mainly to support the fragile demand in these economies. However, due to divergent policy priorities, some central banks mainly in emerging markets pursued different monetary policy stance. Most noteworthy was the central banks of China, Brazil, India, Russia with the exception of South Africa, which raised their policy rates. The main reason cited by these central banks was the need to contain surfacing inflationary pressures and expectations and to also respond to initial signs of overheating.

### c) Exchange rate developments

Exchange rate is an important monetary policy anchor. In this regards, the EC continually monitors developments in the exchange rate of the Rand and assessed its implication on the overall economy. During the period under review, the EC noted that the exchange rate of the Rand was characterised by upside fluctuation in line with the currencies of other emerging market economies. The EC noted that the fluctuation during this period which was in the range of R6.95 and R6.54 against the US dollar was mainly attributed to strong capital inflow into South Africa. The inflow into South Africa was largely fuelled by continuation of the accommodative stance of monetary policy in the US. The more accommodative monetary policy subsequently partly led to the depreciation of the US dollar, making the Rand and other EME's currencies more attractive. The Rand remained strong as intervention by the Reserve Bank was not aimed at influencing the direction of the currency but to smoothen out the volatility.

### d) Monetary and credit condition

The EC noted a steady recovery in the domestic demand during the current review period compared to the previous period. The sources of growth in demand as reflected in developments in credit extension was deemed to be broad-based. The improved growth was reflected in the rise in credit advanced to both individual and businesses. The EC ascribed the expansion in credit aggregates to the accommodative policy stance pursued by the Bank and signifies renewed business and consumer confidence.

<sup>29</sup> Although there is no formal operating target in Namibia, the Bank of Namibia monitors the level of official reserves, as the fixed currency peg requires the country to fully back its currency in circulation with international reserves.

### e) Liquidity conditions in the banking sector

The management of liquidity in the banking sector is one of the most important activities that the Bank undertakes. This is because the level of liquidity – as the main conduit of monetary policy in the economy, influences the effectiveness of monetary policy. Through the Department of Financial Markets, EC monitors the liquidity conditions in the sector because a liquidity shortfall at one banking institution can easily have a systemic effect on the overall banking sector. Generally, the sector maintained a favourable liquidity position during the period under review. However, compared to previous review period, the current review period saw a decline in the liquidity position in the sector particularly at the beginning of the review period. The decline in liquidity position was attributed to the increased government borrowing and reduced local spending during the period.

### f) Foreign exchange reserves

Namibia's monetary policy framework which is underpinned by the exchange rate system linked to the South African Rand requires that all currency in circulation be backed by international reserves. It is for this reason that the EC pays a special attention to the level of the official international reserves at each point in time. The period under review was characterized by a substantial decrease in the level of reserves, except in the month of January 2011 when the SACU payments were received. Official reserves dropped from the average level of N\$12.0 billion in the last review period to N\$10.6 billion in the current review period.

The sustained decreases in the level of the official reserves were mainly attributed to the large Government payments made at some point during the review period. Nonetheless, the EC is of the view that even at this level, the stock of reserves remains healthy and compares well with the currency in circulation. For instance, in March 2011, the stock of reserve stood at N\$9.0 billion and the currency in circulation of N\$1.4 billion meant that the exchange reserves were six times higher than what was required to sustain the peg.

### g) Fiscal conditions

The fiscal policy that prevailed during the review period was viewed by the EC to be favourable and hence supportive of the monetary policy. There was a steady growth in the ratio of debt to GDP over the review period when compared to the previous period. For instance, debt to GDP ratio rose to 11.2 per cent at the end of March 2011 from 10.4 per cent at the end of October 2010. The growth in the debt to GDP ratio was the reflection of an increase in treasury bills (TBs) and Internal Registered Stocks (IRS) in line with Government's borrowing plan.

## III. MONETARY POLICY STANCE

At the start of the review period, the EC affected a 25 basis point cut to the Repo rate; thereafter, a neutral stance was maintained throughout the period under review. EC was of the view that a round of monetary easing would go a long way in mitigating the weaknesses in the real sector and boost growth on the demand side. The timing of the cut was opportune given the subdued inflationary environment that prevailed.

Following the single cut at its first meeting in this assessment period, on the 15th of December 2010, the EC adopted a cautious approach by maintaining the monetary policy stance at all the meetings that followed. The EC felt that a change in the stance at any particular meeting following the 25 basis points cut would affect the speed of recovery and run the risk of reversing the gains made thus far.

## IV. ASSESSMENT OF THE MONETARY POLICY

The effect of the expansionary monetary policy continues to be reflected in both the financial and real sector of the economy. Since December 2010, the inter-bank lending rate has remained virtually unchanged signalling stability on the money market. Long-term interest rates have also remained low.

The more accommodative monetary policy stance has translated into a steady and continuous growth of the broader monetary aggregates since the last monetary policy assessment. Lending activities remained robust during the period under review. Credit extension rose from 10.5 per cent at the end of November 2010 to 12.5 per cent in March 2011. The financial market appears to be more confident in the economy in response to the low interest rate environment which continues to prevail.

In the real sector, accommodative monetary policy stance provided the much needed stimuli for growth. Improved business confidence reinforced the signs of recovery during the current review period. Satisfactory performances was recorded in all sectors of the economy, primary sector dominating growth throughout, while secondary and tertiary sector gained momentum around the beginning of the year.

## V. ECONOMIC AND INFLATION OUTLOOK

### a. International economic and inflation outlook

The EC's view of the global economic outlook is more positive compared to the last assessment. The global economic activities are expected to proceed along a more self-sustained growth path. Although uncertainty about the future outlook for the global economy seems to have abated, it still remains considerable. The EC is also of the view that the financial instability in the Euro area and geopolitical concerns particularly in the MENA could lead to a negative sentiment about the global economic outlook. The inflation outlook will be underpinned by the prolonged tensions in the MENA, which could further tighten the oil market and raise energy price, and adversely impact the global economy. The effects of such are already evident in the global and domestic inflation figures.

With regard to price developments, there are mounting inflationary pressures emanating mainly from cost-push factors, notably, rising food and fuel prices. The upside risks to inflation outlook is thus expected to remain because of high food and fuel prices and administered prices.

### b. Domestic economic and inflation outlook

According to the Bank's recent projections, annual average growth in real output is expected to be 4.1 per cent in 2011 from an estimated 4.6 per cent during 2010, an upward correction when compared with the February 2010 projection. The growth during 2010 was mainly driven by the estimated recovery in the mining industry, most notably in diamond mining but is expected to moderate in 2011. Going forward, the growth is expected to be broad based, with all industries expected to contribute positively to the overall economy in 2011. The downside risks to the outlook remain high, mostly on the risks associated with the sustainability of the global economy recovery, the relatively strong currency and the risks emanating from the sovereign debt crisis in the Euro-area.

#### Exchange rate outlook

The EC observed a similar trend between the Rand and most emerging market currencies in terms of volatility. The Rand has been driven by the same fundamentals such as the carry trade, positive investor sentiments and commodity prices during the period under review. South Africa's interest rates are among the highest compared to other emerging market economies and hence the Rand is among the most over-valued currencies.

Going forward, the Rand is expected to remain strong in the short term at the back of positive outlook for commodities. However, in the long-term, the Rand and other emerging market currencies will likely weaken somewhat when interest rates in developed economies start rising and investor sentiments towards these countries improve. The Rand is expected to weaken further during the year on account of the rising inflation. In addition, the likelihood of the current account deficit rising sharply will also further weaken the Rand.

## VI. CONCLUSION

The past six months has been dynamic from a monetary policy perspective. While the global economy was progressing somewhat faster than expected at the end of 2010 through to the beginning of 2011, concerns about the stability in the Euro Area and geopolitical concerns persisted. The two-speed recovery continued through out the review period while new challenge in the form of rising commodity prices emerged. While advanced economies pursued more accommodative monetary policy in order to nurture their fragile economies, countries in the emerging market economies pursued contractionary monetary policy to restrain rising inflation and attend to signs of overheating. This situation created an environment of great uncertainty in the global economy.

The domestic economic situation did not change much from the previous review period. At the beginning of the review period, the economy was expanding favourably in line with the global economic recovery. The thrust of the monetary policy at that stage was to boost growth on the demand side and eventually mitigate observed weaknesses in some areas of the real sector. Hence, a 25 basis point cut in the Repo rate was justified at that stage but thereafter, the Bank adopted a more neutral approach.

When the outlook for the global and domestic growth became less optimistic at the back of the slowing economic activities and Euro debt crisis concerns, rising inflation, among other factors, the thrust of the monetary policy changed. The EC decided that any change in the stance could run the risk of unduly depressing domestic demand especially at the time when this demand is not the cause of recent inflation acceleration. In this regard, the EC maintained the repo rate at 6.0 per cent and re-affirmed its commitment to continue monitoring the global and domestic and stand ready to attune the stance should condition so demand.

## SPEECHES AND PRESS STATEMENTS

Ref. 9/6/2

23 February 2011

### MONETARY POLICY STATEMENT ISSUED BY THE BANK OF NAMIBIA

1. The Executive Committee (EC) of the Bank of Namibia held its monetary policy meeting on the 18th of February 2011 to reflect and deliberate on the appropriate stance of monetary policy for the two months ahead. The Committee carefully considered and reviewed developments in the global and domestic economy since the last meeting held on the 14th December 2010.

#### **The global Economy**

The EC noted that the global economy continued to grow since the last meeting in 2010, driven mainly by the continued strengthening in emerging economies. Due to the continued uneven global growth pattern, as characterized by strained growth in advanced economy and robust growth in emerging economies, the global recovery is said to be following a two-speed growth path.

2. In the advanced economies, restrained economic activities led to slowed growth during the last quarter of 2010, although domestic demand in some economies started to show encouraging trends. Downside factors such as the persistent high unemployment rate and renewed fiscal stress in certain Euro Area economies, which continue to linger, have slackened growth in these economies. Under these conditions, the economies of the US and the UK registered slower growth rates of 2.8 per cent and 1.7 per cent in the fourth quarter of 2010 from 3.2 per cent and 2.7 per cent in the preceding quarter, respectively.
3. Data for the second half of 2010 that the EC reviewed showed that emerging economies that have significantly contributed to global growth in the first half of 2010 started to loose some momentum. This was reflected in industrial production, which fell, partly reflecting the waning influence of the global inventory cycle on output. The other factor that contributed to the slowdown was the recent policy tightening in some countries, including China, India, and Brazil. Nonetheless, emerging markets continued to drive the global economy, with China still leading the group at 9.8 per cent during the fourth quarter of 2010.
4. Monetary policy in most of the advanced economies remains accommodative, mainly to support and nurture their fragile recoveries. Due to divergent policy priorities, however, some central banks mainly in emerging markets pursued different monetary policy stances. The central banks of China, Brazil, India, with the exception of South Africa, raised their policy rates, citing the need to contain surfacing inflationary pressures and expectations and to respond to initial signs of overheating.

#### **The domestic economy**

5. Signs of recovery in the Namibian economy that become evident during the earlier part of 2010 were reinforced towards the end of the year and strengthened further at the beginning of 2011. The Namibian economy is estimated to have expanded by 4.6 per cent in 2010. This fair achievement is ascribed to good performance in most sectors of the economy, with the primary sector dominating growth during the year. The secondary and tertiary sector gained momentum towards the end of the year, which helped to further strengthen the recovery and thus providing a better start for 2011.
6. Annual inflation rate accelerated in January 2011 to 3.5 per cent from 3.1 per cent in December 2010. The upturn in the inflation rate in January 2011, which was because of high increases in house rental fees, follows a prolonged period of lower inflation. Nevertheless, other major NCPI categories, such as food and non-alcoholic beverages and transport continued to record lower inflation rates in January 2011. This condition supports our view that despite the rise witnessed in January, overall inflation in Namibia remains tolerable and does not pose any significant threat.

7. In accordance with the economic recovery in the domestic economy, monetary and credit aggregates improved considerably since the last EC meeting. The annual growth in private sector credit extension rose to 10.9 per cent at the end of December 2010 from 9.6 per cent at the end of the previous month. The growth in credit extended to the private sector emanated from both the business and household categories. Credit extension to businesses and households grew by 14.1 per cent and 9.0 per cent, respectively, at the end of December 2010 from 11.0 per cent and 8.8 per cent at the end of the previous month. The expansion in monetary and credit aggregates is ascribed to the accommodative policy stance pursued by the Bank and signifies renewed business and consumer confidence.
8. The fiscal policy that prevailed in 2010 continues to reflect prudent public spending by Government. The proportion of domestic debt to GDP remained low. Domestic debt as the ratio to GDP fell to 10.7 per cent at the end of January 2011 from 11.2 per cent at the end of December 2010. It is our view that this condition remains supportive of the monetary policy of the Bank.
9. At the end of January 2011, total foreign reserves increased by 7.1 per cent to N\$10.9 billion, mainly because of a quarterly SACU inflow to the tune of N\$1.29 billion. At this level, the stock of reserves remains more than adequate to cover Namibia's import bill. Moreover, Namibia's foreign reserves continue to contribute to the maintenance of the currency peg, which requires that all currency in circulation should be sufficiently backed by international reserves.

### **Monetary Policy stance**

10. During the review of recent economic development, the EC observed that the domestic economy continues to be on a firm footing towards full recovery. The Committee also noted the recent trend of depreciating currency, which is expected to boost export earnings. While inflation has accelerated slightly in January 2011 and is likely to edge upward due to international oil and food price developments, it is expected to remain within a manageable range.
11. Against this background, the EC felt that a change in the stance at this stage could affect the speed of recovery and run the risk of reversing the gains made so far. Moreover, we must be mindful of inflationary pressures that are starting to build up. In light of this, the EC decided to leave the Bank rate unchanged at 6.0 per cent. Going forward, the Bank of Namibia will continue to closely monitor economic developments, and will adjust its policy stance should conditions so demand in the interest of price stability.

**Ipumbu Shiimi**  
**Governor**

## SPEECHES AND PRESS STATEMENTS

February 2011

REF: 9/6/2

### **Outcome of the Workshop on Coordinated Policy Making for Financial Inclusion in Namibia**

With the aim of hastening the realization of Vision 2030 and its aspirations of improving the quality of lives of Namibians to the level of their counterparts in the developed world by 2030, the Bank of Namibia has acknowledged the importance of the financial sector in that process. As such, it embarked upon the financial sector development agenda, together with the Ministry of Finance and NAMFISA. This process has seen the development of a draft Financial Sector Strategy, which is currently being reviewed by relevant stakeholders in the financial sector.

A component of the draft strategy deals with the aspect of building an inclusive financial system. This has been necessitated by the current high level of exclusivity of the majority of the Namibian population from the mainstream financial sector, especially the low income segment of the society. It is believed that the aspirations of Vision 2030 cannot be realized in the absence of financial inclusion, hence the said workshop that took place on 21-22 February 2011. The workshop was a follow-up to the commitment made by the Governor of the Bank of Namibia during his Annual Address in October 2010. The workshop was therefore aimed to create a dialogue and to kick-start the process of formulating a coordinated national strategy on financial inclusion.

#### **Workshop deliberations**

The Right Honourable Prime Minister Nahas Angula, who opened the workshop, pledged the leadership and catalyst role from Government in the efforts towards achieving an inclusive financial system. This, he stated, was important for growth and poverty eradication. The Malaysian experience which was shared by Bank Negara Malaysia, highlighted important lessons such as the importance of developing a well tailor-made framework for financial inclusion. From the Namibian experiences shared by different players within the financial sector (SME and micro financing operators), a number of challenges were identified. These include the existence of the financing and business support gap for SMEs, the need for financial literacy and education, the lack of horizontal linkages between SMEs and big businesses, fragmented efforts and hence the need for coordination.

Considering the global development in financial inclusion, the Malaysian experience and the current financial inclusion situation in Namibia, the workshop participants deliberated further on issues related to policy making for financial inclusion. Key issues that emanated from the dialogues are: the importance of measurement and data for policy design, defining financial inclusion in the context of Namibia, the importance of balancing innovation with regulation; as well as the need to ensure that the market is not over regulated, but also not under regulated into instability.

Against the above backdrop, the workshop identified key themes that are going to drive financial inclusion in the country:

- Coordination of various stakeholder's efforts,
- Provision of an enabling regulatory environment,
- Financial literacy and education,
- Public Private Partnerships,
- Ensuring the availability of data and information,
- Ensuring the availability of resources (financial and human capital),
- Building on previous initiatives and existing infrastructure.

## The way forward

It was agreed that the finalisation of the draft Financial Sector Strategy, through stakeholders reaching consensus on broad goals that need to be achieved by 2020, has to be done by June 2011.

### Issued by

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## SPEECHES AND PRESS STATEMENTS

10 May 2011

REF: 9/62

### BANK OF NAMIBIA TO ISSUE NEW BANKNOTES IN 2012

The Bank of Namibia will issue a new family of banknotes in 2012. The upgraded banknotes, namely N\$10, N\$20, N\$50, N\$100 and N\$200 will have new state-of-the art security features and will run concurrently with the current banknotes. This means that both the new and the old banknotes will be accepted as legal tender in the payment for goods and services until the old banknotes are phased out.

Given the rapid technological advancement in the banknote industry, an array of security features is being continuously developed to provide tighter security to banknotes. According to currency industry practice, the security features of the banknotes are effective for approximately 8 years. Since the security features of the Namibia dollar banknotes have been in existence for a considerable time, upgrading them has become necessary to make them less vulnerable to potential counterfeiters.

A number of security features will therefore be changed on the new banknotes to make banknotes more resilient to counterfeits. One of the main security features on two banknotes (N\$10 and N\$20) is the Portrait of His Excellency Dr Sam Nujoma, Founding President and Father of the Namibian Nation. The rest of the new banknotes (N\$50, N\$100 and N\$200) will continue to bear the Portrait of Kaptein Hendrik Witbooi. This decision was made by Cabinet in recognition of the critical role the Founding President has played in the struggle for national independence. He was also instrumental in the establishment of the Bank of Namibia before independence.

The upgraded banknotes will be issued in accordance with the provisions of the Bank of Namibia Act, (Act No.15 of 1997, as amended). In terms of Section 19 (2) of the Bank of Namibia Act, the Board of the Bank of Namibia, with the approval of the Minister of Finance, determine the denominations, composition, form, design and characteristics of the notes and coins to be issued by the Bank. It is important for the public to note that the upgraded banknotes will only be launched and circulated in the market next year, after 21 March 2012. Members of the public are therefore requested to report any new designed banknotes circulated in the market before that date to the Bank of Namibia or the nearest Police Station.

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# STATISTICAL APPENDIX

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

### 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 centre 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 centre 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 commercial banks on which it was drawn; the bank accepting the draft assumes the obligation of making payment at maturity on behalf of its client.

### Repo rate

The rate charged by the Bank of Namibia on advances on specific collateral to commercial banks. The Repo 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 ODCs 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 (e.g. 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.

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**Table 1.1 Aggregate economic indicators**

	2005	2006	2007	2008	2009
<b>Current prices</b>					
GDP (N\$ mil.)	46,177	54,028	62,080	74,000	77,812
% Change	8.2	17.0	14.9	19.2	5.2
GNI (N\$ mil.)	45,463	53,676	60,836	72,203	77,228
% Change	5.2	18.1	13.3	18.7	7.0
GDP per capita (N\$)	23,596	27,122	30,611	35,836	37,001
% Change	6.3	14.9	12.9	17.1	3.3
GNI per capita (N\$)	23,231	26,946	29,998	34,965	36,723
% Change	3.4	16.0	11.3	16.6	5.0
<b>Constant 2004 prices</b>					
GDP (N\$ mil.)	43,758	46,853	49,371	51,475	51,106
% Change	2.5	7.1	5.4	4.3	-0.7
GNI (N\$ mil.)	44,408	50,161	54,743	57,902	58,020
% Change	2.8	13.0	9.1	5.8	0.2
GDP per capita (N\$)	22,360	23,521	24,345	24,927	24,301
% Change	0.7	5.2	3.5	2.4	-2.5
GNI per capita (N\$)	22,692	25,181	26,994	28,040	27,589
% Change	1.0	11.0	7.2	3.9	-1.6

Source: Central Bureau of Statistics

**Table I.2 Gross Domestic Product and Gross National Income**

	2005	2006	2007	2008	2009
<b>Current prices - N\$ millions</b>					
Compensation of employees	19,630	21,508	24,835	28,545	31,676
Consumption of fixed capital	5,373	6,020	7,251	8,885	10,178
Net operating surplus	17,311	22,366	25,328	30,973	29,524
<b>Gross domestic product at factor cost</b>	<b>42,313</b>	<b>49,894</b>	<b>57,414</b>	<b>68,403</b>	<b>71,378</b>
Taxes on production and imports	3,864	4,133	4,666	5,598	6,434
Subsidies					
<b>Gross domestic product at market prices</b>	<b>46,177</b>	<b>54,028</b>	<b>62,080</b>	<b>74,000</b>	<b>77,812</b>
<b>Primary incomes</b>					
- receivable from the rest of the world	955	1,310	1,449	1,870	1,752
- payable to rest of the world	-1,670	-1,661	-2,693	-3,666	-2,336
<b>Gross national income at market prices</b>	<b>45,463</b>	<b>53,676</b>	<b>60,836</b>	<b>72,203</b>	<b>77,228</b>
<b>Current transfers</b>					
- receivable from the rest of the world	4,547	6,733	7,421	9,762	11,245
- payable to rest of the world	-286	-306	-369	-484	-632
<b>Gross national disposable income</b>	<b>49,724</b>	<b>60,103</b>	<b>67,887</b>	<b>81,482</b>	<b>87,842</b>
<b>Current prices - N\$ per capita</b>					
Gross domestic product at market prices	23,596	27,122	30,611	35,836	37,001
Gross national income at market prices	23,231	26,946	29,998	34,965	36,723
<b>Constant 2004 prices - N\$ millions</b>					
<b>Gross domestic product at market prices</b>	<b>43,758</b>	<b>46,853</b>	<b>49,371</b>	<b>51,475</b>	<b>51,106</b>
- Annual per centage change	2.5	7.1	5.4	4.3	-0.7
<b>Real gross national income</b>	<b>44,408</b>	<b>50,161</b>	<b>54,743</b>	<b>57,902</b>	<b>58,020</b>
- Annual per centage change	2.8	13.0	9.1	5.8	0.2
<b>Constant 2004 prices - N\$ per capita</b>					
<b>Gross domestic product at market prices</b>	<b>22,360</b>	<b>23,521</b>	<b>24,345</b>	<b>24,927</b>	<b>24,301</b>
- Annual per centage change	0.7	5.2	3.5	2.4	-2.5
<b>Real gross national income</b>	<b>22,692</b>	<b>25,181</b>	<b>26,994</b>	<b>28,040</b>	<b>27,589</b>
- Annual per centage change	1.0	11.0	7.2	3.9	-1.6

Source: Central Bureau of Statistics

**Table I.3 National Disposable Income and Savings**

Current prices - N\$ millions	2005	2006	2007	2008	2009
<b>Disposable income and saving</b>					
<b>Gross national disposable income</b>	<b>49,724</b>	<b>60,103</b>	<b>67,887</b>	<b>81,482</b>	<b>87,842</b>
Consumption of fixed capital	5,373	6,020	7,251	8,870	10,142
<b>Net national disposable income</b>	<b>44,351</b>	<b>54,083</b>	<b>60,637</b>	<b>72,612</b>	<b>77,700</b>
All other sectors	32,742	39,334	44,823	53,509	56,374
General government	11,609	14,749	15,814	19,103	21,325
<b>Final consumption expenditure</b>	<b>35,640</b>	<b>40,867</b>	<b>48,470</b>	<b>56,096</b>	<b>64,666</b>
Private	26,734	30,340	35,636	40,939	45,714
General government	8,905	10,526	12,834	15,158	18,951
<b>Saving, net</b>	<b>8,711</b>	<b>13,216</b>	<b>12,167</b>	<b>16,515</b>	<b>13,034</b>
All other sectors	6,007	8,994	9,187	12,570	10,660
General government	2,704	4,223	2,979	3,945	2,374
<b>Financing of capital formation</b>					
Saving, net	8,711	13,216	12,167	16,515	13,034
Capital transfers receivable from abroad	535	602	590	633	628
Capital transfers payable to foreign countries	-3	-3	-3	-3	-3
<b>Total</b>	<b>9,243</b>	<b>13,815</b>	<b>12,753</b>	<b>17,145</b>	<b>13,658</b>
<b>Capital formation</b>					
Gross fixed capital formation	8,594	11,686	14,696	18,815	19,351
All other sectors	7,062	9,905	11,796	14,915	14,340
General government	1,532	1,781	2,900	3,900	5,011
Consumption of fixed capital	-5,373	-6,020	-7,251	-8,870	-10,142
All other sectors	-4,484	-4,991	-5,901	-7,137	-8,077
General government	-889	-1,029	-1,350	-1,734	-2,065
Changes in inventories	498	342	32	1,794	1,871
<b>Net lending (+) / Net borrowing(-)</b>	<b>5,524</b>	<b>7,808</b>	<b>5,276</b>	<b>5,406</b>	<b>2,578</b>
All other sectors	3,477	4,602	4,255	3,939	3,740
General government	2,047	3,206	1,021	1,467	-1,162
Discrepancy on GDP 1)	-1,382	979	304	2,402	1,169
Net lending/borrowing in external transactions 2)	4,142	8,786	5,580	7,808	3,747
<b>Total</b>	<b>9,243</b>	<b>13,815</b>	<b>12,753</b>	<b>17,145</b>	<b>13,658</b>

Source: Central Bureau of Statistics

**Table I.4 (a) Gross Domestic Product by Activity**

Current Prices - N\$ Millions

Industry	2005	2006	2007	2008	2009
<b>Agriculture and forestry</b>	<b>2,861</b>	<b>3,275</b>	<b>3,045</b>	<b>3,976</b>	<b>3,931</b>
Livestock farming	1,606	1,836	1,765	2,548	2,453
Crop farming and forestry	1,254	1,439	1,280	1,428	1,478
<b>Fishing &amp; fish processing on board</b>	<b>1,932</b>	<b>1,948</b>	<b>2,330</b>	<b>2,411</b>	<b>2,775</b>
<b>Mining and quarrying</b>	<b>4,257</b>	<b>6,654</b>	<b>6,816</b>	<b>11,772</b>	<b>7,744</b>
Diamond mining	3,182	4,591	3,535	5,500	2,812
Other mining and quarrying	1,075	2,063	3,281	6,272	4,932
<b>Primary industries</b>	<b>9,050</b>	<b>11,878</b>	<b>12,191</b>	<b>18,159</b>	<b>14,450</b>
<b>Manufacturing</b>	<b>5,738</b>	<b>7,792</b>	<b>9,774</b>	<b>9,404</b>	<b>10,489</b>
Meat processing	162	175	206	145	227
Fish processing on shore	477	657	902	993	1,123
Other food products and beverages	2,262	2,518	2,930	3,678	4,179
Other manufacturing	2,836	4,441	5,736	4,588	4,959
<b>Electricity and water</b>	<b>1,091</b>	<b>1,012</b>	<b>1,562</b>	<b>1,663</b>	<b>1,934</b>
<b>Construction</b>	<b>1,259</b>	<b>1,826</b>	<b>2,286</b>	<b>3,013</b>	<b>2,922</b>
<b>Secondary industries</b>	<b>8,088</b>	<b>10,630</b>	<b>13,622</b>	<b>14,080</b>	<b>15,344</b>
<b>Wholesale and retail trade, repairs</b>	<b>5,202</b>	<b>5,879</b>	<b>6,769</b>	<b>7,682</b>	<b>8,610</b>
<b>Hotels and restaurants</b>	<b>829</b>	<b>940</b>	<b>1,115</b>	<b>1,283</b>	<b>1,486</b>
<b>Transport, and communication</b>	<b>2,662</b>	<b>2,535</b>	<b>2,955</b>	<b>3,400</b>	<b>3,717</b>
Transport and storage	959	794	1,146	1,442	1,557
Post and telecommunications	1,703	1,741	1,809	1,958	2,160
<b>Financial intermediation</b>	<b>1,823</b>	<b>2,201</b>	<b>2,534</b>	<b>2,879</b>	<b>3,294</b>
<b>Real estate and business services</b>	<b>4,218</b>	<b>4,479</b>	<b>4,990</b>	<b>5,415</b>	<b>5,987</b>
Real estate activities	3,055	3,231	3,564	3,778	4,166
Other business services	1,164	1,247	1,426	1,637	1,820
<b>Community, social and personal services</b>	<b>1,697</b>	<b>1,840</b>	<b>1,979</b>	<b>2,184</b>	<b>2,419</b>
<b>Public administration and defence</b>	<b>4,115</b>	<b>4,423</b>	<b>5,157</b>	<b>6,219</b>	<b>8,088</b>
<b>Education</b>	<b>3,208</b>	<b>3,703</b>	<b>4,570</b>	<b>5,222</b>	<b>5,850</b>
<b>Health</b>	<b>1,579</b>	<b>1,647</b>	<b>1,859</b>	<b>2,244</b>	<b>2,482</b>
<b>Private household with employed persons</b>	<b>358</b>	<b>384</b>	<b>424</b>	<b>492</b>	<b>559</b>
<b>Tertiary industries</b>	<b>25,692</b>	<b>28,031</b>	<b>32,352</b>	<b>37,020</b>	<b>42,491</b>
Less: Financial intermediation services indirectly measured	517	644	750	855	907
<b>All industries at basic prices</b>	<b>42,313</b>	<b>49,894</b>	<b>57,414</b>	<b>68,403</b>	<b>71,378</b>
<b>Taxes less subsidies on products</b>	<b>3,864</b>	<b>4,133</b>	<b>4,666</b>	<b>5,598</b>	<b>6,434</b>
<b>GDP at market prices</b>	<b>46,177</b>	<b>54,028</b>	<b>62,080</b>	<b>74,000</b>	<b>77,812</b>

Source: Central Bureau of Statistics

**Table I.4 (b) Gross Domestic Product by Activity**

Per centage Contribution

Industry	2005	2006	2007	2008	2009
<b>Agriculture and forestry</b>	<b>6.2</b>	<b>6.1</b>	<b>4.9</b>	<b>5.4</b>	<b>5.1</b>
Livestock farming	3.5	3.4	2.8	3.4	3.2
Crop farming and forestry	2.7	2.7	2.1	1.9	1.9
<b>Fishing &amp; fish processing on board</b>	<b>4.2</b>	<b>3.6</b>	<b>3.8</b>	<b>3.3</b>	<b>3.6</b>
<b>Mining and quarrying</b>	<b>9.2</b>	<b>12.3</b>	<b>11.0</b>	<b>15.9</b>	<b>10.0</b>
Diamond mining	6.9	8.5	5.7	7.4	3.6
Other mining and quarrying	2.3	3.8	5.3	8.5	6.3
<b>Primary industries</b>	<b>19.6</b>	<b>22.0</b>	<b>19.6</b>	<b>24.5</b>	<b>18.6</b>
<b>Manufacturing</b>	<b>12.4</b>	<b>14.4</b>	<b>15.7</b>	<b>12.7</b>	<b>13.5</b>
Meat processing	0.4	0.3	0.3	0.2	0.3
Fish processing on shore	1.0	1.2	1.5	1.3	1.4
<b>Other food products and beverages</b>	<b>4.9</b>	<b>4.7</b>	<b>4.7</b>	<b>5.0</b>	<b>5.4</b>
Other manufacturing	6.1	8.2	9.2	6.2	6.4
<b>Electricity and water</b>	<b>2.4</b>	<b>1.9</b>	<b>2.5</b>	<b>2.2</b>	<b>2.5</b>
<b>Construction</b>	<b>2.7</b>	<b>3.4</b>	<b>3.7</b>	<b>4.1</b>	<b>3.8</b>
<b>Secondary industries</b>	<b>17.5</b>	<b>19.7</b>	<b>21.9</b>	<b>19.0</b>	<b>19.7</b>
Wholesale and retail trade, repairs	11.3	10.9	10.9	10.4	11.1
Hotels and restaurants	1.8	1.7	1.8	1.7	1.9
<b>Transport, and communication</b>	<b>5.8</b>	<b>4.7</b>	<b>4.8</b>	<b>4.6</b>	<b>4.8</b>
<b>Transport and storage</b>	<b>2.1</b>	<b>1.5</b>	<b>1.8</b>	<b>1.9</b>	<b>2.0</b>
Post and telecommunications	3.7	3.2	2.9	2.6	2.8
<b>Financial intermediation</b>	<b>3.9</b>	<b>4.1</b>	<b>4.1</b>	<b>3.9</b>	<b>4.2</b>
<b>Real estate and business services</b>	<b>9.1</b>	<b>8.3</b>	<b>8.0</b>	<b>7.3</b>	<b>7.7</b>
Real estate activities	6.6	6.0	5.7	5.1	5.4
Other business services	2.5	2.3	2.3	2.2	2.3
<b>Community, social and personal services</b>	<b>3.7</b>	<b>3.4</b>	<b>3.2</b>	<b>3.0</b>	<b>3.1</b>
<b>Public administration and defence</b>	<b>8.9</b>	<b>8.2</b>	<b>8.3</b>	<b>8.4</b>	<b>10.4</b>
<b>Education</b>	<b>6.9</b>	<b>6.9</b>	<b>7.4</b>	<b>7.1</b>	<b>7.5</b>
<b>Health</b>	<b>3.4</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.2</b>
<b>Private household with employed persons</b>	<b>0.8</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>
<b>Tertiary industries</b>	<b>55.6</b>	<b>51.9</b>	<b>52.1</b>	<b>50.0</b>	<b>54.6</b>
Less: Financial intermediation services indirectly measured	1.1	1.2	1.2	1.2	1.2
<b>All industries at basic prices</b>	<b>91.6</b>	<b>92.3</b>	<b>92.5</b>	<b>92.4</b>	<b>91.7</b>
<b>Taxes less subsidies on products</b>	<b>8.4</b>	<b>7.7</b>	<b>7.5</b>	<b>7.6</b>	<b>8.3</b>
<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 2004 Prices - N\$ Millions

Industry	2005	2006	2007	2008	2009
<b>Agriculture and forestry</b>	<b>2,590</b>	<b>2,687</b>	<b>2,564</b>	<b>2,635</b>	<b>2,628</b>
Livestock farming	1,315	1,219	1,253	1,336	1,339
Crop farming and forestry	1,274	1,468	1,311	1,298	1,289
<b>Fishing &amp; fish processing on board</b>	<b>1,434</b>	<b>1,308</b>	<b>1,059</b>	<b>1,003</b>	<b>862</b>
<b>Mining and quarrying</b>	<b>3,697</b>	<b>4,718</b>	<b>4,742</b>	<b>4,606</b>	<b>2,532</b>
Diamond mining	2,872	3,962	3,840	3,815	1,919
Other mining and quarrying	826	756	902	791	613
<b>Primary industries</b>	<b>7,721</b>	<b>8,712</b>	<b>8,365</b>	<b>8,244</b>	<b>6,023</b>
<b>Manufacturing</b>	<b>5,742</b>	<b>5,897</b>	<b>6,401</b>	<b>6,537</b>	<b>6,962</b>
Meat processing	178	162	169	155	161
Fish processing on shore	723	494	640	617	695
Other food products and beverages	2,230	2,297	2,413	2,654	2,852
Other manufacturing	2,611	2,944	3,178	3,111	3,253
<b>Electricity and water</b>	<b>1,119</b>	<b>1,182</b>	<b>1,234</b>	<b>1,274</b>	<b>1,350</b>
<b>Construction</b>	<b>1,166</b>	<b>1,600</b>	<b>1,833</b>	<b>2,110</b>	<b>1,957</b>
<b>Secondary industries</b>	<b>8,026</b>	<b>8,680</b>	<b>9,467</b>	<b>9,921</b>	<b>10,268</b>
<b>Wholesale and retail trade, repairs</b>	<b>5,087</b>	<b>5,473</b>	<b>5,904</b>	<b>6,072</b>	<b>6,259</b>
<b>Hotels and restaurants</b>	<b>788</b>	<b>846</b>	<b>936</b>	<b>961</b>	<b>1,008</b>
<b>Transport, and communication</b>	<b>2,627</b>	<b>2,999</b>	<b>3,161</b>	<b>3,247</b>	<b>3,421</b>
Transport and storage	931	1,253	1,328	1,498	1,602
Post and telecommunications	1,696	1,746	1,833	1,750	1,819
<b>Financial intermediation</b>	<b>1,941</b>	<b>2,024</b>	<b>2,267</b>	<b>2,488</b>	<b>2,652</b>
<b>Real estate and business services</b>	<b>4,188</b>	<b>4,339</b>	<b>4,667</b>	<b>4,874</b>	<b>5,166</b>
Real estate activities	3,060	3,221	3,447	3,613	3,780
Other business services	1,128	1,118	1,221	1,260	1,387
<b>Community, social and personal services</b>	<b>1,656</b>	<b>1,703</b>	<b>1,761</b>	<b>1,721</b>	<b>1,755</b>
<b>Public administration and defence</b>	<b>3,673</b>	<b>3,816</b>	<b>4,213</b>	<b>4,707</b>	<b>4,902</b>
<b>Education</b>	<b>3,066</b>	<b>3,175</b>	<b>3,365</b>	<b>3,574</b>	<b>3,712</b>
<b>Health</b>	<b>1,446</b>	<b>1,461</b>	<b>1,545</b>	<b>1,739</b>	<b>1,810</b>
<b>Private household with employed persons</b>	<b>350</b>	<b>358</b>	<b>370</b>	<b>389</b>	<b>406</b>
<b>Tertiary industries</b>	<b>24,822</b>	<b>26,194</b>	<b>28,145</b>	<b>29,772</b>	<b>31,092</b>
Less: Financial intermediation services indirectly measured	519	593	652	670	666
<b>All industries at basic prices</b>	<b>40,051</b>	<b>42,993</b>	<b>45,325</b>	<b>47,267</b>	<b>46,717</b>
<b>Taxes less subsidies on products</b>	<b>3,707</b>	<b>3,860</b>	<b>4,047</b>	<b>4,208</b>	<b>4,388</b>
<b>GDP at market prices</b>	<b>43,758</b>	<b>46,853</b>	<b>49,371</b>	<b>51,475</b>	<b>51,106</b>

Source: Central Bureau of Statistics

**Table I.5 (b) Gross Domestic Product by Activity**

Annual Percentage Changes

Industry	2005	2006	2007	2008	2009
<b>Agriculture and forestry</b>	<b>15.0</b>	<b>3.8</b>	<b>-4.6</b>	<b>2.8</b>	<b>-0.2</b>
Livestock farming	41.5	-7.3	2.8	6.7	0.2
Crop farming and forestry	-3.6	15.2	-10.7	-1.0	-0.7
<b>Fishing and fish processing on board</b>	<b>-8.3</b>	<b>-8.8</b>	<b>-19.0</b>	<b>-5.3</b>	<b>-14.1</b>
<b>Mining and quarrying</b>	<b>-10.9</b>	<b>27.6</b>	<b>0.5</b>	<b>-2.9</b>	<b>-45.0</b>
Diamond mining	-16.6	38.0	-3.1	-0.6	-49.7
Other mining and quarrying	17.3	-8.5	19.4	-12.3	-22.5
<b>Primary industries</b>	<b>-3.1</b>	<b>12.8</b>	<b>-4.0</b>	<b>-1.5</b>	<b>-26.9</b>
<b>Manufacturing</b>	<b>7.5</b>	<b>2.7</b>	<b>8.5</b>	<b>2.1</b>	<b>6.5</b>
Meat processing	21.9	-8.5	4.3	-8.4	3.8
Fish processing on shore	-5.2	-31.7	29.6	-3.6	12.6
Other food products and beverages	4.2	3.0	5.1	10.0	7.5
Other manufacturing	14.0	12.7	8.0	-2.1	4.6
<b>Electricity and water</b>	<b>24.3</b>	<b>5.7</b>	<b>4.3</b>	<b>3.2</b>	<b>6.0</b>
<b>Construction</b>	<b>2.4</b>	<b>37.2</b>	<b>14.5</b>	<b>15.1</b>	<b>-7.2</b>
<b>Secondary industries</b>	<b>8.8</b>	<b>8.1</b>	<b>9.1</b>	<b>4.8</b>	<b>3.5</b>
<b>Wholesale and retail trade, repairs</b>	<b>9.7</b>	<b>7.6</b>	<b>7.9</b>	<b>2.9</b>	<b>3.1</b>
<b>Hotels and restaurants</b>	<b>2.4</b>	<b>7.4</b>	<b>10.6</b>	<b>2.7</b>	<b>5.0</b>
<b>Transport, and communication</b>	<b>9.3</b>	<b>14.2</b>	<b>5.4</b>	<b>2.7</b>	<b>5.4</b>
Transport and storage	2.8	34.5	6.0	12.8	6.9
Post and telecommunications	13.2	3.0	4.9	-4.5	4.0
Financial intermediation	15.1	4.3	12.0	9.8	6.6
<b>Real estate and business services</b>	<b>6.8</b>	<b>3.6</b>	<b>7.6</b>	<b>4.4</b>	<b>6.0</b>
Real estate activities	5.4	5.3	7.0	4.8	4.6
Other business services	10.7	-0.9	9.2	3.2	10.0
<b>Community, social and personal services</b>	<b>6.9</b>	<b>2.9</b>	<b>0.8</b>	<b>0.3</b>	<b>2.0</b>
<b>Public administration and defence</b>	<b>-4.8</b>	<b>3.9</b>	<b>10.4</b>	<b>11.7</b>	<b>4.1</b>
<b>Education</b>	<b>-8.0</b>	<b>3.5</b>	<b>6.0</b>	<b>6.2</b>	<b>3.9</b>
<b>Health</b>	<b>-19.9</b>	<b>1.0</b>	<b>5.8</b>	<b>12.5</b>	<b>4.1</b>
<b>Private household with employed persons</b>	<b>2.2</b>	<b>2.2</b>	<b>3.4</b>	<b>5.2</b>	<b>4.4</b>
<b>Tertiary industries</b>	<b>2.1</b>	<b>5.5</b>	<b>7.4</b>	<b>5.8</b>	<b>4.4</b>
<b>Less: Financial intermediation services indirectly measured</b>	<b>10.7</b>	<b>14.2</b>	<b>10.1</b>	<b>2.7</b>	<b>-0.6</b>
<b>All industries at basic prices</b>	<b>2.2</b>	<b>7.3</b>	<b>5.4</b>	<b>4.3</b>	<b>-1.2</b>
<b>Taxes less subsidies on products</b>	<b>5.9</b>	<b>4.1</b>	<b>4.8</b>	<b>4.0</b>	<b>4.3</b>
<b>GDP at market prices</b>	<b>2.5</b>	<b>7.1</b>	<b>5.4</b>	<b>4.3</b>	<b>-0.7</b>

Source: Central Bureau of Statistics

**Table I.6 (a) Expenditure on Gross Domestic Product**

Current Prices - N\$ Million

Expenditure category	2005	2006	2007	2008	2009
<b>Final consumption expenditure</b>	<b>35,640</b>	<b>40,867</b>	<b>48,470</b>	<b>56,096</b>	<b>64,666</b>
Private	26,734	30,340	35,636	40,939	45,714
General government	8,905	10,526	12,834	15,158	18,951
<b>Gross fixed capital formation</b>	<b>8,594</b>	<b>11,686</b>	<b>14,696</b>	<b>18,815</b>	<b>19,351</b>
Changes in inventories	498	342	32	1,794	1,871
<b>Gross domestic expenditure</b>	<b>44,732</b>	<b>52,895</b>	<b>63,198</b>	<b>76,706</b>	<b>85,888</b>
<b>Exports of goods and services</b>	<b>18,678</b>	<b>24,566</b>	<b>31,496</b>	<b>38,777</b>	<b>34,581</b>
<b>Imports of goods and services</b>	<b>18,615</b>	<b>22,454</b>	<b>32,310</b>	<b>39,080</b>	<b>41,488</b>
Discrepancy	1,382	-979	-304	-2,402	-1,169
<b>Gross domestic product at market prices</b>	<b>46,177</b>	<b>54,028</b>	<b>62,080</b>	<b>74,000</b>	<b>77,812</b>

Source: Central Bureau of Statistics

**Table I.6 (b) Expenditure on Gross Domestic Product**

Current Prices - Per cent

Expenditure category	2005	2006	2007	2008	2009
<b>Final consumption expenditure</b>	<b>77.2</b>	<b>75.6</b>	<b>78.1</b>	<b>75.8</b>	<b>83.1</b>
Private	57.9	56.2	57.4	55.3	58.7
General government	19.3	19.5	20.7	20.5	24.4
<b>Gross fixed capital formation</b>	<b>18.6</b>	<b>21.6</b>	<b>23.7</b>	<b>25.4</b>	<b>24.9</b>
Changes in inventories	1.1	0.6	0.1	2.4	2.4
<b>Gross domestic expenditure</b>	<b>96.9</b>	<b>97.9</b>	<b>101.8</b>	<b>103.7</b>	<b>110.4</b>
<b>Exports of goods and services</b>	<b>40.4</b>	<b>45.5</b>	<b>50.7</b>	<b>52.4</b>	<b>44.4</b>
<b>Imports of goods and services</b>	<b>40.3</b>	<b>41.6</b>	<b>52.0</b>	<b>52.8</b>	<b>53.3</b>
Discrepancy	3.0	-1.8	-0.5	-3.2	-1.5
<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 2004 Prices - N\$ Million

Expenditure category	2005	2006	2007	2008	2009
<b>Final consumption expenditure</b>	<b>34,299</b>	<b>37,469</b>	<b>40,346</b>	<b>42,787</b>	<b>45,723</b>
Private	26,121	28,392	30,128	31,734	33,591
General government	8,179	9,077	10,218	11,052	12,133
<b>Gross fixed capital formation</b>	<b>8,207</b>	<b>10,651</b>	<b>11,945</b>	<b>13,511</b>	<b>13,289</b>
Changes in inventories	463	228	401	514	474
<b>Gross domestic expenditure</b>	<b>42,969</b>	<b>48,348</b>	<b>52,692</b>	<b>56,811</b>	<b>59,486</b>
<b>Exports of goods and services</b>	<b>16,850</b>	<b>19,436</b>	<b>20,675</b>	<b>21,740</b>	<b>18,491</b>
<b>Imports of goods and services</b>	<b>18,125</b>	<b>21,083</b>	<b>27,784</b>	<b>29,712</b>	<b>30,940</b>
Discrepancy	2,064	151	3,788	2,635	4,068
<b>Gross domestic product at market prices</b>	<b>43,758</b>	<b>46,853</b>	<b>49,371</b>	<b>51,475</b>	<b>51,106</b>

Source: Central Bureau of Statistics

**Table I.7 (b) EXPENDITURE ON GROSS DOMESTIC PRODUCT**

Constant 2004 Prices - N\$ Million

	2005	2006	2007	2008	2009
<b>Final consumption expenditure</b>	<b>-0.9</b>	<b>9.2</b>	<b>7.7</b>	<b>6.0</b>	<b>6.9</b>
Private	0.8	8.7	6.1	5.3	5.8
General government	-5.9	11.0	12.6	8.2	9.8
<b>Gross fixed capital formation</b>	<b>3.6</b>	<b>29.8</b>	<b>12.1</b>	<b>13.1</b>	<b>-1.6</b>
Changes in inventories	0.6	-0.5	0.4	0.2	-0.1
<b>Gross domestic expenditure</b>	<b>0.5</b>	<b>12.5</b>	<b>9.0</b>	<b>7.8</b>	<b>4.7</b>
<b>Exports of goods and services</b>	<b>-0.8</b>	<b>15.3</b>	<b>6.4</b>	<b>5.2</b>	<b>-14.9</b>
<b>Imports of goods and services</b>	<b>0.9</b>	<b>16.3</b>	<b>31.8</b>	<b>6.9</b>	<b>4.1</b>
Discrepancy	2.7	-4.4	7.8	-2.3	2.8
<b>Gross domestic product at market prices</b>	<b>2.5</b>	<b>7.1</b>	<b>5.4</b>	<b>4.3</b>	<b>-0.7</b>

Source: Central Bureau of Statistics

**Table I.8 GROSS FIXED CAPITAL FORMATION BY ACTIVITY**

Current prices - N\$ Million

Industry	2005	2006	2007	2008	2009
Agriculture	464	495	540	649	720
Fishing	104	71	162	195	234
Mining and quarrying	1,762	3,842	3,367	4,274	3,337
Manufacturing	715	1,068	1,376	2,164	2,974
Electricity and water	309	364	387	680	556
Construction	297	307	334	601	691
Wholesale and retail trade; hotels, restaurants	367	432	1,213	1,147	978
Transport, and communication	1,351	1,498	2,296	2,808	2,095
Finance, real estate, business services	1,684	1,840	2,084	2,456	2,814
Community, social and personal services	46	41	47	42	47
Producers of government services	1,497	1,728	2,889	3,798	4,905
<b>Total</b>	<b>8,594</b>	<b>11,686</b>	<b>14,696</b>	<b>18,815</b>	<b>19,351</b>
Per cent of GDP	18.6	21.6	23.7	25.4	24.9

Source: Central Bureau of Statistics

**Table I.9 GROSS FIXED CAPITAL FORMATION BY ACTIVITY**

Constant 2004 Prices - N\$ Million

Industry	2005	2006	2007	2008	2009
Agriculture	449	466	484	503	523
Fishing	103	70	158	181	205
Mining and quarrying	1,699	3,510	2,623	2,970	2,255
Manufacturing	685	965	1,075	1,524	1,996
Electricity and water	291	329	308	486	363
Construction	291	294	307	468	502
Wholesale and retail trade; hotels, restaurants	356	405	1,078	858	704
Transport, and communication	1,309	1,410	1,906	2,069	1,488
Finance, real estate, business services	1,584	1,598	1,629	1,698	1,847
Community, social and personal services	44	39	41	32	34
Producers of government services	1,394	1,565	2,335	2,720	3,371
<b>Total</b>	<b>8,207</b>	<b>10,651</b>	<b>11,945</b>	<b>13,511</b>	<b>13,289</b>
Annual change, per cent	3.6	29.8	12.1	13.1	-1.6

Source: Central Bureau of Statistics

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

Current prices - N\$ Million

Type of Asset	2005	2006	2007	2008	2009
Buildings	2,207	2,571	3,460	4,167	4,616
Construction works	2,168	3,625	4,224	5,892	5,968
Transport equipment	1,531	1,724	1,338	1,741	1,791
Machinery and other equipment	2,212	3,284	5,135	6,410	6,298
Mineral exploration	477	482	540	605	677
<b>Total</b>	<b>8,594</b>	<b>11,686</b>	<b>14,696</b>	<b>18,815</b>	<b>19,351</b>

Source: Central Bureau of Statistics

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

Constant 2004 Prices - N\$ Million

Type of Asset	2005	2006	2007	2008	2009
Buildings	2,062	2,202	2,631	2,793	2,948
Construction works	1,995	3,211	3,477	4,207	4,101
Transport equipment	1,526	1,704	1,301	1,620	1,571
Machinery and other equipment	2,163	3,096	4,090	4,457	4,186
Mineral exploration	460	437	446	433	482
<b>Total</b>	<b>8,207</b>	<b>10,651</b>	<b>11,945</b>	<b>13,511</b>	<b>13,289</b>

Source: Central Bureau of Statistics

**Table I.12 GROSS FIXED CAPITAL FORMATION BY OWNERSHIP**

Current prices - N\$ Million

Ownership	2005	2006	2007	2008	2009
Public	2,640	2,986	4,673	5,725	5,924
Producers of government services	1,497	1,728	2,889	3,798	4,905
Public corporations and enterprises	1,143	1,258	1,784	1,927	1,019
Private	5,955	8,700	10,023	13,090	13,427
<b>Total</b>	<b>8,594</b>	<b>11,686</b>	<b>14,696</b>	<b>18,815</b>	<b>19,351</b>

Source: Central Bureau of Statistics

**Table I.13 GROSS FIXED CAPITAL FORMATION BY OWNERSHIP**

Constant 2004 Prices - N\$ Million

Ownership	2005	2006	2007	2008	2009
Public	2,493	2,738	3,806	4,135	4,084
Producers of government services	1,394	1,565	2,335	2,720	3,371
Public corporations and enterprises	1,100	1,173	1,471	1,415	713
Private	5,713	7,913	8,139	9,376	9,204
<b>Total</b>	<b>8,207</b>	<b>10,651</b>	<b>11,945</b>	<b>13,511</b>	<b>13,289</b>

Source: Central Bureau of Statistics

**Table I.14 FIXED CAPITAL STOCK BY ACTIVITY**

Current Prices - N\$ Million

Industry	2005	2006	2007	2008	2009
Agriculture	9,299	9,621	10,266	11,688	12,158
Fishing	1,544	1,547	1,660	1,954	2,212
Mining and quarrying	10,897	14,131	17,726	22,167	24,462
Manufacturing	5,726	6,741	8,392	10,766	13,188
Electricity and water	8,049	8,235	8,659	9,568	9,476
Construction	1,291	1,365	1,481	1,940	2,389
Wholesale and retail trade; hotels, restaurants	3,435	3,803	4,968	6,214	6,903
Transport, and communication	10,478	11,317	13,347	16,538	17,775
Finance, real estate, business services	16,912	19,606	23,339	27,963	31,131
Community, social and personal services	660	687	736	825	848
Producers of government services	24,209	26,202	30,168	36,632	41,007
<b>Total</b>	<b>92,501</b>	<b>103,253</b>	<b>120,743</b>	<b>146,255</b>	<b>161,550</b>

Source: Central Bureau of Statistics

**Table I.15 FIXED CAPITAL STOCK BY ACTIVITY**

Constant 2004 Prices - N\$ Million

Industry	2005	2006	2007	2008	2009
Agriculture	8,740	8,655	8,569	8,481	8,397
Fishing	1,525	1,504	1,566	1,643	1,736
Mining and quarrying	10,552	13,050	14,552	16,302	17,264
Manufacturing	5,408	5,908	6,465	7,389	8,641
Electricity and water	7,447	7,323	7,094	6,796	6,350
Construction	1,265	1,300	1,345	1,555	1,782
Wholesale and retail trade; hotels, restaurants	3,260	3,377	4,091	4,543	4,797
Transport, and communication	9,853	10,219	11,132	12,142	12,465
Finance, real estate, business services	15,834	16,871	17,891	18,932	20,070
Community, social and personal services	626	618	612	597	582
Producers of government services	22,399	23,037	24,303	25,794	27,763
<b>Total</b>	<b>86,908</b>	<b>91,864</b>	<b>97,620</b>	<b>104,174</b>	<b>109,846</b>

Source: Central Bureau of Statistics

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

Food & non alcoholic beverages	Alcoholic Beverages & tobacco	Clothing and footwear	Housing, water, electricity, gas & others	Furniture, household equipment & maintenance			Transport	Communications	Recreation & culture	Education	Hotels, cafés & restaurants	Miscellaneous goods & services	All items	All items Annual per centage changes	
				Health	Transport	Communications									
29.63	3.26	5.13	20.59	5.61	1.51	14.79	0.9	2.5	7.36	1.62	100.5	100.2	100	4.2	
2005	122.6	121.2	109.3	124.3	111.3	123.9	107.4	110.3	135.5	120.9	127.1	108.0	122.9	2.3	
2006	124.4	130.1	108.2	128.3	112.6	132.3	108.5	111.1	140.6	127.1	149.9	134.0	128.1	5.1	
2007	132.5	139.7	105.0	149.5	116.9	110.1	143.0	108.2	113.9	149.9	134.3	143.3	114.8	137.7	6.7
<b>2008</b>	<b>148.7</b>	<b>149.9</b>	<b>108.5</b>	<b>132.7</b>	<b>121.7</b>	<b>115.2</b>	<b>151.5</b>	<b>110.8</b>	<b>119.1</b>	<b>158.9</b>	<b>137.7</b>	<b>117.1</b>	<b>117.1</b>	<b>137.7</b>	<b>6.7</b>
weights															
Jan-08	161.7	153.9	111.0	134.6	125.2	117.0	157.5	113.8	122.0	168.7	151.3	117.7	144.1	7.8	
Feb-08	162.7	154.2	111.0	134.7	125.7	117.0	158.6	113.8	123.1	168.7	152.2	117.9	144.6	7.9	
Mar-08	164.8	161.7	111.6	134.8	126.3	117.1	162.2	113.8	124.1	168.7	154.1	118.1	146.2	8.4	
Apr-08	168.9	165.2	112.3	135.0	129.0	117.2	166.9	113.8	125.9	168.7	155.3	119.2	148.6	9.3	
May-08	170.6	165.8	111.6	135.4	130.9	117.3	170.6	113.8	126.3	168.7	157.1	119.5	149.8	9.7	
Jun-08	172.7	166.4	111.8	135.6	132.3	117.9	173.9	113.8	128.0	168.7	158.9	121.4	151.2	10.3	
Jul-08	176.7	166.7	112.4	140.2	133.3	118.0	180.3	114.0	126.6	168.7	162.1	124.7	154.7	11.9	
Aug-08	178.1	170.5	113.0	141.1	135.3	118.5	180.6	114.3	127.9	168.7	163.6	125.3	155.8	12.0	
Sep-08	180.8	172.2	114.1	140.8	138.4	118.5	178.7	114.2	127.9	168.7	165.6	126.0	156.5	12.0	
Oct-08	182.3	173.4	114.8	141.3	140.7	118.7	176.6	123.2	130.9	168.7	166.1	128.9	157.2	12.0	
Nov-08	184.2	173.2	115.3	141.5	142.4	118.9	176.1	123.1	132.6	168.7	166.5	129.0	158.0	11.7	
Dec-08	184.6	173.9	115.8	141.5	142.5	119.0	171.7	123.1	133.0	168.7	166.9	129.1	157.4	10.9	
<b>Average</b>	<b>174.0</b>	<b>166.4</b>	<b>112.9</b>	<b>138.0</b>	<b>133.5</b>	<b>117.9</b>	<b>171.1</b>	<b>116.2</b>	<b>127.0</b>	<b>168.7</b>	<b>160.0</b>	<b>123.1</b>	<b>152.0</b>	<b>10.3</b>	
<b>2009</b>															
Jan-09	187.5	174.8	115.8	146.7	144.3	120.5	173.0	123.0	136.5	174.6	171.6	171.6	132.8	11.6	
Feb-09	188.9	175.1	115.9	146.6	145.4	122.2	173.7	123.1	136.6	174.6	171.6	171.6	133.3	11.6	
Mar-09	190.6	183.0	119.4	146.6	147.6	123.5	174.5	123.1	137.0	174.6	172.5	162.6	132.6	11.2	
Apr-09	190.9	185.3	119.3	146.5	147.2	124.5	178.7	123.1	137.7	174.6	172.6	172.6	134.4	10.0	
May-09	191.8	185.5	119.8	146.6	147.9	124.8	180.0	123.1	138.6	174.6	174.3	174.3	134.7	9.6	
Jun-09	192.5	186.4	121.9	146.8	149.1	125.0	181.0	123.1	138.1	174.6	174.9	174.9	135.4	9.1	
Jul-09	192.0	187.9	124.3	150.7	148.7	125.7	184.5	123.1	140.8	174.6	179.0	179.0	135.9	7.5	
Aug-09	195.0	191.9	125.0	150.7	148.3	125.2	184.3	123.1	142.4	174.6	178.5	178.5	136.9	7.6	
Sep-09	193.9	192.1	126.5	151.1	149.4	125.6	185.5	123.2	141.0	174.6	180.9	180.9	136.3	7.1	
Oct-09	196.5	193.8	126.7	151.2	149.6	125.7	184.9	124.7	141.1	174.6	181.1	174.6	137.0	7.1	
Nov-09	196.3	194.6	128.5	151.3	150.4	125.7	186.4	124.6	142.1	174.6	181.0	181.0	136.5	6.7	
Dec-09	195.3	195.6	128.5	151.3	148.9	124.8	187.4	124.6	143.1	174.6	181.3	181.3	136.6	7.0	
<b>Average</b>	<b>192.6</b>	<b>187.2</b>	<b>122.6</b>	<b>148.8</b>	<b>148.2</b>	<b>124.5</b>	<b>181.2</b>	<b>123.5</b>	<b>139.4</b>	<b>174.6</b>	<b>176.6</b>	<b>165.4</b>	<b>135.2</b>	<b>8.8</b>	
<b>2010</b>															
Jan-10	197.5	196.3	128.1	154.2	150.6	128.9	189.2	124.9	141.7	183.8	185.6	185.6	170.9	6.3	
Feb-10	198.0	197.0	127.5	154.3	150.6	128.8	189.9	124.9	142.5	183.8	186.0	186.0	171.6	6.3	
Mar-10	198.5	198.1	127.3	154.3	151.3	128.9	189.7	124.9	142.6	183.8	186.7	186.7	171.8	5.6	
Apr-10	198.3	204.1	125.7	153.9	150.1	129.4	191.6	124.9	143.2	183.8	189.7	189.7	171.7	5.0	
May-10	197.1	206.4	127.6	154.5	150.8	129.5	193.6	124.9	144.4	183.8	189.5	189.5	171.9	4.7	
Jun-10	197.4	207.0	127.8	154.6	150.8	130.5	193.0	125.0	145.0	183.8	190.2	190.2	172.0	4.3	
Jul-10	198.4	208.8	128.0	160.5	151.6	130.8	193.8	124.9	146.5	183.8	191.7	191.7	174.0	4.6	
Aug-10	199.2	208.4	127.1	160.5	150.9	131.1	192.9	124.9	144.6	183.8	193.8	193.8	174.4	3.6	
Sep-10	200.1	208.9	125.6	160.5	151.4	131.7	191.3	124.9	144.1	183.8	193.9	193.9	173.8	3.7	
Oct-10	198.9	209.0	125.0	160.6	150.7	131.7	192.7	125.4	144.7	183.8	193.8	193.8	173.7	3.2	
Nov-10	201.1	209.9	125.2	160.5	149.7	131.7	193.6	125.6	144.9	183.8	194.3	194.3	174.3	3.4	
Dec-10	199.6	209.8	124.9	160.6	150.3	131.6	193.1	125.9	144.0	183.8	195.4	195.4	174.4	3.1	
<b>Average</b>	<b>198.9</b>	<b>205.8</b>	<b>126.7</b>	<b>157.4</b>	<b>150.8</b>	<b>130.4</b>	<b>192.0</b>	<b>125.1</b>	<b>144.0</b>	<b>183.8</b>	<b>190.9</b>	<b>140.8</b>	<b>172.7</b>	<b>4.5</b>	
<b>2011</b>															
Jan-11	200.9	209.8	125.9	171.5	151.4	136.6	194.7	126.4	144.5	193.2	196.4	196.4	176.8	3.5	
Feb-11	201.3	209.4	127.0	170.6	151.2	136.7	196.0	126.4	147.0	193.2	195.6	195.6	176.9	3.1	
Mar-11	203.6	215.3	126.3	170.8	151.3	137.4	197.8	126.5	147.1	193.2	196.6	196.6	178.3	3.8	
Apr-11	206.8	218.9	126.9	170.7	152.7	137.6	197.0	126.5	148.4	193.2	198.6	198.6	177.3	4.8	
May-11	208.0	219.3	126.4	171.0	171.0	137.6	197.4	126.5	148.2	193.2	198.6	198.6	177.3	5.2	

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

	Services			Goods		
	Index	Monthly Infl. Rate	Annual infl. rate	Index	Monthly infl. rate	Annual infl. rate
<b>2003</b>	112.9	0.4	7.3	116.9	0.1	7.2
2004	119.8	0.5	6.1	120.6	0.3	3.1
2005	123.7	0.3	3.3	122.3	0.3	1.4
2006	129.7	0.5	4.8	128.7	0.5	5.2
<b>2007</b>						
Jan-07	133.9	1.3	5.7	133.5	0.5	6.1
Feb-07	134.0	0.1	5.1	133.9	0.3	6.6
Mar-07	134.7	0.5	5.5	135.0	0.8	6.7
Apr-07	134.5	-0.1	5.3	136.8	1.4	7.8
May-07	134.5	0.0	5.1	138.0	0.8	8.5
Jun-07	134.6	0.1	4.4	138.5	0.4	8.7
Jul-07	136.0	1.0	4.5	139.6	0.8	8.9
Aug-07	136.4	0.3	3.6	141.8	1.6	9.7
Sep-07	136.5	0.1	3.6	141.8	0.0	8.7
Oct-07	136.7	0.1	3.6	142.7	0.6	8.6
Nov-07	135.8	-0.6	2.8	145.0	1.6	9.4
Dec-07	135.6	-0.2	2.6	145.9	0.6	9.9
<b>Average</b>	<b>135.3</b>	<b>0.2</b>	<b>4.3</b>	<b>139.4</b>	<b>0.8</b>	<b>8.3</b>
<b>2008</b>						
Jan-08	138.7	2.3	3.6	147.5	1.1	10.5
Feb-08	139.2	0.3	3.9	148.1	0.4	10.6
Mar-08	140.3	0.8	4.2	149.9	1.2	11.0
Apr-08	141.5	0.8	5.2	153.1	2.2	11.9
May-08	142.0	0.4	5.6	154.7	1.1	12.1
Jun-08	142.4	0.3	5.8	156.7	1.3	13.2
Jul-08	147.5	3.6	8.5	159.2	1.6	14.0
Aug-08	147.8	0.2	8.4	160.8	1.0	13.4
Sep-08	148.0	0.1	8.4	161.9	0.7	14.2
Oct-08	150.1	1.4	9.8	161.7	-0.1	13.3
Nov-08	150.9	0.5	11.1	162.5	0.5	12.1
Dec-08	151.1	0.1	11.5	161.4	-0.7	10.6
<b>Average</b>	<b>145.0</b>	<b>0.9</b>	<b>7.2</b>	<b>156.5</b>	<b>0.8</b>	<b>12.2</b>
<b>2009</b>						
Jan-09	153.6	1.6	10.7	165.3	2.5	12.1
Feb-09	154.7	0.7	11.1	165.6	0.2	11.9
Mar-09	155.0	0.2	10.4	166.6	0.6	11.2
Apr-09	154.5	-0.3	9.2	167.6	0.6	9.5
May-09	154.2	-0.2	8.6	170.6	1.8	10.2
Jun-09	154.5	0.3	8.5	171.5	0.5	9.4
Jul-09	156.4	1.2	6.0	172.5	0.6	8.3
Aug-09	156.9	0.3	6.1	174.6	1.2	8.5
Sep-09	156.4	-0.3	5.6	174.8	0.1	7.9
Oct-09	156.4	0	4.2	175.8	0.6	8.7
Nov-09	157.0	0.4	4.0	175.9	0.1	8.2
Dec-09	157.2	0.1	4.0	175.5	-0.3	8.7
<b>Average</b>	<b>156.0</b>	<b>0.3</b>	<b>7.4</b>	<b>171.4</b>	<b>0.7</b>	<b>9.6</b>
<b>2010</b>						
Jan-10	162.2	3.2	5.6	176.4	0.5	6.7
Feb-10	162.2	0	4.8	177.4	0.6	7.1
Mar-10	163.5	0.8	5.5	177.0	-0.3	6.2
Apr-10	164.0	0.3	6.1	176.6	-0.2	5.4
May-10	165.3	0.8	7.2	176.1	-0.3	3.2
Jun-10	165.7	0.2	7.2	175.9	-0.1	2.6
Jul-10	167.7	1.2	7.2	177.9	1.1	3.2
Aug-10	167.5	-0.1	6.8	177.6	-0.2	1.7
Sep-10	167.6	0	7.2	177.8	0.1	1.7
Oct-10	167.8	0.1	7.3	177.4	-0.2	0.9
Nov-10	168.3	0.3	7.2	178.0	0.3	1.2
Dec-10	167.6	-0.4	6.6	177.4	-0.3	1.1
<b>Average</b>	<b>165.8</b>	<b>0.5</b>	<b>6.6</b>	<b>177.1</b>	<b>0.1</b>	<b>3.4</b>
<b>2011</b>						
Jan-11	172.2	2.7	6.1	179.7	1.3	1.9
Feb-11	172.7	0.3	6.4	179.6	-0.1	1.2
Mar-11	172.6	-0.03	5.6	181.9	1.3	2.8
Apr-11	172.7	0.1	5.3	184.6	1.5	4.5
May11	170.9	-1.1	3.4	187.1	1.4	6.3

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

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

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

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

**Table II.3 Depository corporations survey (end of period in N\$ million)**

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

Table II.5 Other depository corporations' claims on private sectors (end period in N\$ million)

**Table II.6 Monetary Aggregates (end of period in N\$ million)**

		Currency in circulation 1	Transferable deposits 2	Narrow money (M1) 3	Other deposits 4	Securities included in M2 5	Broad money supply (M2) 6
				1+2 = 3			3+4+5=6
2004		632.7	8,937.1	9,569.8	6,259.1	170.4	15,828.9
2005	Jan	619.3	8,416.8	9,036.1	6,492.4	141.9	15,670.4
	Feb	639.0	8,433.5	9,072.5	6,933.3	105.8	16,111.6
	Mar	628.7	9,165.0	9,793.7	6,644.3	101.1	16,539.1
	Apr	696.5	8,978.2	9,674.7	7,168.7	337.0	17,180.4
	May	676.9	9,322.5	9,999.4	6,699.2	101.1	16,799.7
	Jun	653.9	9,204.5	9,858.4	6,980.9	315.5	17,154.8
	Jul	709.1	9,747.2	10,456.4	6,982.2	37.5	17,476.0
	Aug	683.2	9,593.9	10,277.1	6,871.6	35.6	17,184.2
	Sep	697.8	9,260.1	9,957.9	6,947.3	35.1	16,940.3
	Oct	668.5	9,363.7	10,032.2	7,186.4	35.0	17,253.6
	Nov	706.1	9,117.6	9,823.7	7,383.9	31.1	17,238.7
	Dec	680.0	9,096.6	9,776.6	7,261.7	31.4	17,069.6
2006	Jan	646.8	9,591.7	10,238.6	7,130.9	11.6	17,381.1
	Feb	663.0	10,056.5	10,719.5	7,052.3	11.7	17,783.5
	Mar	681.0	10,752.9	11,433.9	7,308.9	11.5	18,754.2
	Apr	714.6	10,726.7	11,441.3	7,679.9	11.5	19,132.8
	May	678.8	11,230.2	11,909.0	7,800.1	9.5	19,718.6
	Jun	726.7	11,366.5	12,093.3	8,446.0	9.5	20,548.8
	Jul	727.4	11,743.4	12,470.8	8,494.2	8.0	20,973.0
	Aug	767.4	11,544.1	12,311.4	8,312.2	5.8	20,629.4
	Sep	785.6	12,065.2	12,850.9	8,655.2	5.8	21,511.9
	Oct	772.0	13,562.1	14,334.1	7,898.1	5.9	22,238.1
	Nov	839.7	13,412.7	14,252.4	8,359.3	5.9	22,617.5
	Dec	763.4	12,937.7	13,701.0	8,833.3	5.9	22,540.2
2007	Jan	739.1	13,791.9	14,531.1	8,707.6	5.9	23,244.6
	Feb	731.3	13,916.8	14,648.1	8,400.5	5.9	23,054.5
	Mar	797.4	14,029.6	14,827.1	7,756.7	5.9	22,589.7
	Apr	744.5	14,126.1	14,870.6	8,193.0	5.9	23,069.5
	May	777.4	14,154.3	14,931.6	8,562.0	5.9	23,499.5
	Jun	814.5	12,547.1	13,361.6	9,129.7	5.9	22,497.2
	Jul	794.8	14,869.9	15,664.7	9,183.9	5.9	24,854.5
	Aug	883.1	15,021.7	15,904.8	9,026.7	5.9	24,937.4
	Sep	861.8	14,373.6	15,235.4	10,459.9	5.9	25,701.2
	Oct	806.5	14,269.3	15,075.9	9,910.3	6.0	24,992.1
	Nov	806.0	15,193.7	15,999.7	10,194.4	6.0	26,200.1
	Dec	820.3	13,815.9	14,636.3	10,166.1	6.0	24,808.4
2008	Jan	782.5	14,728.5	15,511.0	10,391.8	6.0	25,908.8
	Feb	882.0	16,645.7	17,527.7	10,184.0	3.9	27,715.7
	Mar	928.2	16,362.4	17,290.6	9,735.3	3.9	27,029.8
	Apr	937.8	16,717.6	17,655.4	10,127.0	3.9	27,786.3
	May	960.0	16,420.2	17,380.2	10,390.7	3.9	27,774.8
	Jun	957.3	17,265.4	18,222.7	9,772.6	3.9	27,999.2
	Jul	986.0	18,716.6	19,702.6	10,070.2	3.9	29,776.7
	Aug	1,059.4	17,762.5	18,821.9	9,350.1	3.9	28,175.9
	Sep	1,076.4	17,977.6	19,054.0	9,931.9	3.9	28,989.9
	Oct	1,234.3	16,395.0	17,629.3	11,543.3	3.9	29,176.5
	Nov	1,221.0	17,244.2	18,465.2	11,214.6	3.9	29,683.8
	Dec	1,140.4	17,430.7	18,571.1	10,666.4	3.9	29,241.4
2009	Jan	1,217.6	17,746.7	18,964.4	29,079.3	3.9	48,047.6
	Feb	1,234.8	17,683.8	18,918.6	28,888.5	3.9	47,811.0
	Mar	1,227.9	18,608.5	19,836.4	24,147.5	3.9	43,987.8
	Apr	1,248.0	18,473.2	19,721.2	25,464.5	3.9	45,189.7
	May	1,235.0	18,651.0	19,886.0	25,716.8	3.9	45,606.8
	Jun	1,133.0	19,033.8	20,166.8	26,072.5	3.9	46,243.2
	Jul	1,209.2	18,999.1	20,208.3	26,718.8	3.9	46,931.0
	Aug	1,180.3	18,813.5	19,993.8	26,448.8	4.0	46,446.6
	Sep	1,084.9	18,407.6	19,492.5	26,488.0	3.9	45,984.4
	Oct	1,145.4	19,552.1	20,697.6	27,120.2	3.9	47,821.6
	Nov	1,204.4	19,626.1	20,830.5	27,616.5	3.9	48,450.9
	Dec	1,156.7	19,741.7	20,898.4	27,642.1	3.9	48,544.4
2010	Jan	1,127.6	20,936.7	22,064.3	27,460.4	3.9	49,528.7
	Feb	1,117.6	20,888.8	22,006.5	27,292.2	3.9	49,302.6
	Mar	1,053.0	21,781.1	22,834.1	27,888.5	3.9	50,726.5
	Apr	1,145.2	22,178.5	23,323.7	28,569.5	3.9	51,897.2
	May	1,130.8	22,391.6	23,522.3	28,213.2	3.9	51,739.5
	Jun	1,135.6	19,928.9	21,064.5	28,244.6	3.9	49,313.0
	Jul	1,229.9	20,330.7	21,560.6	28,289.1	3.9	49,853.6
	Aug	1,233.5	21,581.2	22,814.7	28,173.6	3.9	50,992.2
	Sep	1,218.1	21,835.1	23,053.2	28,047.2	0.0	51,100.3
	Oct	1,273.3	21,597.4	22,870.7	29,271.2	0.0	52,141.9
	Nov	1,316.1	22,342.3	23,658.4	29,479.1	0.0	53,137.5
	Dec	1,292.7	22,760.9	24,053.6	29,141.9	0.0	53,195.5
2011	Jan	1,282.3	22,469.7	23,752.0	28,727.0	0.0	52,479.0
	Feb	1,366.9	22,765.3	24,132.2	28,471.4	0.0	52,603.5
	Mar	1,391.5	22,412.4	23,803.9	27,838.2	0.0	51,642.1

**Table II.7 Monetary analysis (end of period in N\$ million)**

	Broad money supply (M2)	Net foreign assets (cumulative flow)	Determinants of money supply				Claims on private sectors	Other items net		
			Claims on the Central Government							
			Gross claims	Government deposits	Other liabilities	Net claims on Government				
<b>2005</b>	<b>Jan</b>	<b>15,670.4</b>	<b>1,224.7</b>	<b>2,208.3</b>	<b>1,949.6</b>	<b>-51.7</b>	<b>258.7</b>	<b>21147.5</b>	<b>-6960.5</b>	
	Feb	16,111.6	1,212.5	2,329.0	1,685.0	-51.8	643.9	21382.7	-7127.6	
	Mar	16,539.1	1,670.4	2,267.4	1,388.8	-53.5	878.6	21291.7	-7301.5	
	Apr	17,180.4	2,226.6	1,910.2	1,282.3	-53.9	628.0	21964.1	-7638.3	
	May	16,799.7	1,400.3	2,107.0	990.3	-53.5	1116.7	22140.1	-7909.3	
	Jun	17,154.8	668.6	2,506.3	842.1	-53.9	1664.1	22204.0	-7434.3	
	Jul	17,476.0	1,522.5	2,471.6	1,300.2	-53.5	1171.4	22664.4	-7935.5	
	Aug	17,184.2	1,062.6	2,372.9	997.7	-53.5	1375.2	22983.0	-8290.4	
	Sep	16,940.3	708.3	2,379.4	784.6	-53.6	1594.8	23276.0	-8693.2	
	Oct	17,253.6	1,188.3	2,419.2	1,257.3	-53.6	1161.9	23475.7	-8627.4	
	Nov	17,238.7	858.1	2,346.9	945.6	-53.6	1401.4	23880.8	-8957.3	
	Dec	17,069.6	357.5	2,881.1	1,213.9	-53.6	1667.1	24578.7	-9590.1	
<b>2006</b>	<b>Jan</b>	<b>17,381.1</b>	<b>1,221.0</b>	<b>2,714.1</b>	<b>1,783.0</b>	<b>-53.6</b>	<b>931.1</b>	<b>24,672.4</b>	<b>-9500.5</b>	
	Feb	17,783.5	489.0	2,464.0	1,563.5	-53.6	900.5	25,433.4	-9097.1	
	Mar	18,754.2	539.4	2,528.4	1,440.3	-53.7	1,088.2	25,396.8	-8328.6	
	Apr	19,132.8	1,649.6	2,426.7	2,596.0	-53.7	-169.3	25,927.1	-8333.1	
	May	19,718.6	1,514.4	2,543.8	2,250.1	-53.7	293.7	26,592.1	-8741.5	
	Jun	20,548.8	1,334.0	2,661.9	2,051.4	-53.7	610.4	26,990.9	-8447.1	
	Jul	20,973.0	2,170.1	2,555.8	2,925.1	-53.8	-369.4	27,494.4	-8382.8	
	Aug	20,629.4	1,993.0	2,563.6	2,463.6	-53.8	100.0	27,721.0	-9245.2	
	Sep	21,511.9	3,944.3	2,464.0	2,280.4	-51.1	183.6	27,756.5	-10372.4	
	Oct	22,238.1	5,445.8	2,578.7	3,257.3	-64.1	-678.6	28,190.8	-10719.9	
	Nov	22,617.5	4,625.8	2,571.8	2,563.4	-64.2	8.4	28,328.7	-10345.4	
	Dec	22,540.2	4,844.5	2,767.3	2,654.0	-64.4	113.3	28,284.2	-10701.8	
<b>2007</b>	<b>Jan</b>	<b>23,244.6</b>	<b>6,128.2</b>	<b>2,785.2</b>	<b>4,984.8</b>	<b>-64.5</b>	<b>-2,199.5</b>	<b>28,889.3</b>	<b>-9,573.4</b>	
	Feb	23,054.5	6,058.1	2,914.4	4,745.9	-64.5	-1,831.5	29,447.2	-10,619.2	
	Mar	22,589.7	6,888.5	3,098.8	5,779.3	-67.3	-2,680.4	29,990.7	-11,609.0	
	Apr	23,069.5	8,415.2	3,099.4	6,514.6	-51.2	-3,415.1	30,040.4	-11,971.0	
	May	23,499.5	8,256.2	3,012.1	5,747.6	-52.4	-2,735.5	30,345.8	-12,367.0	
	Jun	22,497.2	6,949.8	3,270.2	6,162.7	-52.7	-2,892.5	30,685.8	-12,245.9	
	Jul	24,854.5	9,292.8	3,265.5	5,905.7	-52.7	-2,640.3	30,762.6	-12,560.6	
	Aug	24,937.4	8,339.2	2,966.9	4,719.9	-52.7	-1,753.0	30,998.6	-12,647.3	
	Sep	25,701.2	7,825.5	2,957.3	4,133.0	-52.7	-1,175.7	31,395.3	-12,343.8	
	Oct	24,992.1	7,265.1	2,915.6	5,061.2	-52.8	-2,145.6	32,528.8	-12,656.2	
	Nov	26,200.1	7,689.4	2,925.3	4,790.2	-50.2	-1,864.9	32,752.7	-12,377.2	
	Dec	24,808.4	7,461.7	2,981.3	5,242.6	-50.2	-2,261.2	32,374.8	-12,766.9	
<b>2008</b>	<b>Jan</b>	<b>25,908.8</b>	<b>10,362.4</b>	<b>2,598.5</b>	<b>6,266.5</b>	<b>-50.2</b>	<b>-3,668.0</b>	<b>32,659.7</b>	<b>-13,445.4</b>	
	Feb	27,715.7	10,542.6	2,321.3	5,779.4	-66.1	-3,458.1	33,638.2	-13,007.1	
	Mar	27,029.8	10,770.7	2,416.5	5,473.1	-66.1	-3,056.6	33,850.1	-14,534.4	
	Apr	27,786.3	12,432.2	2,441.9	7,084.8	-66.1	-4,642.9	34,297.4	-14,231.9	
	May	27,774.8	11,964.6	2,465.9	6,539.4	-66.2	-4,073.5	33,922.5	-14,038.9	
	Jun	27,999.2	11,254.8	2,578.5	6,728.8	-67.0	-4,150.3	34,468.5	-13,573.9	
	Jul	29,776.7	14,588.0	2,701.1	8,385.8	-67.0	-5,684.7	34,684.2	-13,819.9	
	Aug	28,175.9	11,638.4	2,915.9	7,534.5	-67.0	-4,618.6	35,037.7	-13,881.7	
	Sep	28,989.9	12,578.7	2,848.5	7,128.9	-67.0	-4,280.4	35,520.7	-14,829.2	
	Oct	29,176.5	16,518.0	2,762.4	8,593.3	-64.4	-5,830.8	35,573.0	-17,083.7	
	Nov	29,683.8	15,672.4	2,617.5	7,365.9	-64.4	-4,748.4	35,700.1	-16,940.3	
	Dec	29,241.4	13,584.2	2,631.8	7,269.5	-63.6	-4,637.7	36,610.2	-16,315.3	
<b>2009</b>	<b>Jan</b>	<b>48,047.6</b>	<b>26,291.5</b>	<b>2,877.4</b>	<b>9,404.4</b>	<b>-52.8</b>	<b>-6,527.0</b>	<b>36,826.4</b>	<b>-8,543.3</b>	
	Feb	47,811.0	25,414.5	2,681.4	9,135.1	-53.5	-6,453.7	36,956.9	-8,106.6	
	Mar	43,987.8	23,049.2	2,689.1	7,914.0	-161.1	-5,225.0	37,470.0	-11,306.5	
	Apr	45,189.7	25,848.4	2,507.3	9,748.8	-173.2	-7,241.5	37,742.8	-11,160.3	
	May	45,606.8	25,343.9	2,409.5	9,574.8	-186.2	-7,165.3	38,019.7	-10,591.5	
	Jun	46,243.2	24,920.7	2,519.4	9,012.8	-126.6	-6,493.4	38,023.9	-10,208.0	
	Jul	46,931.0	25,889.9	2,659.8	10,181.1	-142.5	-7,521.3	38,361.6	-9,798.4	
	Aug	46,446.6	25,616.6	2,653.9	9,525.5	-166.2	-6,871.5	38,743.5	-11,040.7	
	Sep	45,984.4	24,331.8	2,534.2	9,144.7	-175.7	-6,610.5	39,293.6	-11,030.0	
	Oct	47,821.6	27,517.0	2,760.0	9,859.9	-194.0	-7,099.9	39,322.6	-11,918.5	
	Nov	48,450.9	25,965.4	2,731.7	8,390.4	-207.1	-5,658.7	39,975.4	-11,831.5	
	Dec	48,544.4	25,335.5	2,814.0	8,109.3	-130.2	-5,295.3	40,087.4	-11,583.5	
<b>2010</b>	<b>Jan</b>	<b>49,528.7</b>	<b>27,010.1</b>	<b>2,392.9</b>	<b>8,672.2</b>	<b>-143.5</b>	<b>-6,279.4</b>	<b>40,370.6</b>	<b>-11,572.9</b>	
	Feb	49,302.6	26,717.9	2,780.4	8,235.2	-183.2	-5,454.8	39,912.5	-11,872.9	
	Mar	50,726.5	25,020.7	2,843.7	6,592.0	-201.6	-3,748.3	40,015.4	-10,561.3	
	Apr	51,897.2	25,520.4	3,026.1	7,300.1	-214.5	-4,274.0	40,761.5	-10,110.8	
	May	51,739.5	24,316.1	3,004.0	6,430.3	-218.1	-3,426.3	40,544.1	-9,694.4	
	Jun	49,313.0	22,479.2	2,620.2	6,909.7	-125.9	-4,289.5	41,341.1	-10,217.9	
	Jul	49,853.6	22,544.5	2,721.3	6,852.4	-135.6	-4,131.1	41,845.0	-10,404.8	
	Aug	50,992.2	23,437.6	2,800.5	6,753.7	-172.1	-3,953.1	41,995.5	-10,487.7	
	Sep	51,100.3	22,019.7	2,861.9	5,781.2	-173.5	-2,919.3	42,460.6	-10,460.8	
	Oct	52,141.9	22,878.6	2,835.4	5,770.0	-198.2	-2,934.6	43,304.3	-11,106.3	
	Nov	53,137.5	21,519.6	2,854.9	4,531.5	-209.4	-1,676.5	43,981.7	-10,687.2	
	Dec	53,195.5	20,607.0	3,080.0	4,918.9	-132.4	-1,838.9	44,989.0	-10,561.6	
<b>2011</b>	<b>Jan</b>	<b>52,479.0</b>	<b>21,504.3</b>	<b>3,205.8</b>	<b>6,273.7</b>	<b>-104.4</b>	<b>-3,067.9</b>	<b>44,478.8</b>	<b>-10,436.2</b>	
	Feb	52,603.5	19,836.0	3,314.4	5,738.8	-124.9	-2,424.4	44,973.4	-9,781.7	
	Mar	51,642.1	18,745.6	3,394.5	4,019.3	-138.4	-624.8	44,976.1	-11,454.9	

**Table II.8 Changes in determinants of money supply (end of period in N\$ million)**

		Broad money supply (M2)	Net foreign assets (cumulative flow)	Determinants of money supply				Claims on other sectors	Other items net
				Claims on the Central Government					
		Gross claims	Government deposits	Other liabilities	Net claims on Government				
2005	Jan	-95.5	655.1	-159.7	-159.7	-0.1	-784.8	322.9	-261.0
	Feb	441.2	-12.2	120.7	-264.6	-0.1	385.3	235.2	-167.1
	Mar	427.5	457.9	-61.6	-296.2	-1.7	234.6	-91.0	-173.9
	Apr	641.3	556.2	-357.1	-106.5	-0.4	-250.6	672.4	-336.8
	May	-380.7	-826.3	196.8	-292.0	0.4	488.8	176.0	-271.0
	Jun	355.2	-731.7	399.3	-148.1	-0.4	547.4	63.9	475.0
	Jul	321.2	853.9	-34.7	458.0	0.4	-492.7	460.4	-501.1
	Aug	-291.8	-459.9	-98.7	-302.4	0.0	203.7	318.6	-354.9
	Sept	-243.9	-354.3	6.4	-213.2	-0.0	219.6	293.1	-402.9
	Oct	313.3	480.0	39.8	472.7	-0.0	-432.9	199.6	65.9
	Nov	-15.0	-330.3	-72.3	-311.7	-0.0	239.4	405.1	-329.9
	Dec	-169.0	-500.6	534.2	268.4	-0.0	265.8	697.9	-632.8
2006	Jan	311.4	863.5	-167.0	569.1	0.0	-736.1	93.8	89.5
	Feb	402.4	-732.0	-250.1	-219.5	-0.0	-30.6	781.0	403.4
	Mar	970.7	50.4	64.5	-123.2	-0.0	187.7	-36.6	768.5
	Apr	378.5	1110.2	-101.7	1155.7	-0.0	-1257.4	530.3	-4.5
	May	585.8	-135.2	117.0	-345.9	-0.0	463.0	665.0	-408.4
	Jun	830.3	-180.4	118.1	-198.6	-0.0	316.7	398.7	294.5
	Jul	424.1	836.1	-106.1	873.7	-0.0	-979.3	503.6	64.3
	Aug	-343.5	-177.1	7.8	-461.5	-0.0	469.4	226.6	-862.4
	Sept	882.5	1951.3	-99.6	-183.2	2.6	83.6	35.5	-1127.2
	Oct	726.2	1501.6	114.7	976.8	-13.0	-862.2	434.3	-347.5
	Nov	379.4	-820.1	-6.9	-693.9	-0.1	687.0	137.9	374.5
	Dec	-77.3	218.8	195.5	90.6	-0.1	104.9	-44.5	-356.4
2007	Jan	704.3	1,283.7	17.9	2,330.8	-0.1	-2,312.9	605.1	1128.4
	Feb	-190.0	-70.1	129.2	-238.8	-0.1	368.0	557.9	-1045.8
	Mar	-464.9	830.4	184.4	1,033.4	-2.7	-848.9	543.5	-989.8
	Apr	479.9	1,526.7	0.6	735.3	16.1	-734.7	49.8	-362.0
	May	430.0	-159.0	-87.3	-767.0	-1.2	679.7	305.4	-396.0
	Jun	-1,002.3	-1,306.4	258.1	415.1	-0.3	-157.0	340.0	121.0
	Jul	2,357.3	2,343.1	-4.7	-257.0	0.0	252.2	76.8	-314.7
	Aug	82.9	-953.7	-298.6	-1,185.9	0.0	887.3	236.0	-86.7
	Sept	763.8	-513.7	-9.6	-586.8	0.0	577.2	396.7	303.6
	Oct	-709.1	-560.4	-41.7	928.1	-0.2	-969.8	1,133.5	-312.5
	Nov	1,207.9	424.4	9.7	-271.0	2.7	280.7	223.9	279.1
	Dec	-1,391.7	-227.7	56.1	452.4	-0.1	-396.3	-377.9	-389.7
2008	Jan	1,100.4	2,900.7	-382.8	1,023.9	0.0	-1,406.8	285.0	-678.5
	Feb	1,806.9	180.2	-277.2	-487.1	-15.9	209.9	978.5	438.3
	Mar	-685.9	228.1	95.2	-306.3	0.0	401.5	211.8	-1527.3
	Apr	756.5	1,661.5	25.4	1,611.7	0.0	-1,586.3	447.4	302.5
	May	-11.5	-467.6	24.0	-545.5	-0.1	569.5	-374.9	193.0
	Jun	224.4	-709.8	112.6	189.4	-0.8	-76.8	546.0	465.0
	Jul	1,777.5	3,333.2	122.5	1,657.0	0.0	-1,534.5	215.7	-246.0
	Aug	-1,600.8	-2,949.6	214.9	-851.3	0.0	1,066.1	353.5	-61.8
	Sep	813.9	940.3	-67.4	-405.6	0.0	338.2	483.0	-947.5
	Oct	186.7	3,939.3	-86.1	1,464.4	2.7	-1,550.5	52.3	-2254.5
	Nov	507.2	-845.6	-144.9	-1,227.3	0.0	1,082.5	127.0	143.4
	Dec	-442.4	-2,088.2	14.2	-96.4	0.8	110.6	910.2	625.0
2009	Jan	18,806.2	12,707.3	245.7	2,134.9	10.7	-1,889.2	216.1	777.0
	Feb	-236.6	-877.0	-196.0	-269.2	-0.6	73.2	130.5	436.7
	Mar	-3,823.2	-2,365.3	7.7	-1,221.1	-107.6	1,228.8	513.1	-3199.8
	Apr	1,201.9	2,799.2	-181.8	1,834.8	-12.1	-2,016.6	272.8	146.2
	May	417.1	-504.5	-97.7	-174.0	-13.0	76.3	276.9	568.8
	Jun	636.4	-423.2	109.9	-562.0	59.6	671.9	4.2	383.4
	Jul	687.8	969.2	140.4	1,168.3	-16.0	-1,027.9	337.7	409.6
	Aug	-484.4	-273.3	-5.9	-655.7	-23.6	649.8	381.9	-1242.2
	Sep	-462.2	-1,284.8	-119.7	-380.8	-9.5	261.0	550.1	10.6
	Oct	1,837.2	3,185.2	225.8	715.2	-18.4	-489.4	29.1	-888.4
	Nov	629.3	-1,551.6	-28.4	-1,469.5	-13.1	1,441.2	652.8	87.0
	Dec	93.5	-629.9	82.4	-281.1	76.9	363.4	112.0	247.9
2010	Jan	984.3	1,674.6	-421.2	562.9	-13.3	-984.1	283.2	10.6
	Feb	-226.1	-292.2	387.5	-437.0	-39.7	824.5	-458.2	-300.0
	Mar	1,423.9	-1,697.2	63.3	-1,643.3	-18.3	1,706.6	102.9	1311.6
	Apr	1,170.7	499.7	182.4	708.1	-12.9	-525.7	746.1	450.5
	May	-157.7	-1,204.3	-22.1	-869.8	-3.6	847.6	-217.4	416.4
	Jun	-2,426.5	-1,836.9	-383.8	479.4	92.2	-863.2	797.0	-523.5
	Jul	540.6	65.3	101.1	-57.3	-9.7	158.4	503.9	-186.9
	Aug	1,138.6	893.1	79.3	-98.8	-36.5	178.0	150.5	-82.9
	Sep	108.1	-1,417.8	61.4	-972.5	-1.4	1,033.9	465.1	26.9
	Oct	1,041.6	858.8	-26.5	-11.2	-24.8	-15.4	843.6	-645.5
	Nov	995.6	-1,358.9	19.6	-1,238.6	-11.2	1,258.1	677.4	419.1
	Dec	57.9	-912.6	225.1	387.5	77.0	-162.4	1,007.3	125.6
2011	Jan	-716.5	897.3	125.7	1,354.8	27.9	-1,229.0	-510.2	125.4
	Feb	124.6	-1,668.3	108.6	-534.9	-20.4	643.6	494.6	654.6
	Mar	-961.4	-1,090.5	80.1	-1,719.5	-13.5	1,799.6	2.7	-1673.3

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

		Prime lending rate		Average lending rate		Treasury bill rate (3 month)		Deposit rates		Bank rate	Repo rate
		Namibia	SA	Namibia	SA	Namibia	SA	Namibia	SA	Namibia	SA
2005	Jan	12.25	11.00	10.68	11.00	7.67	7.29	6.18	6.72	7.50	7.50
	Feb	12.25	11.00	10.66	11.00	7.58	7.23	6.18	6.71	7.50	7.50
	Mar	12.25	11.00	10.56	11.00	7.58	7.20	6.53	6.77	7.50	7.50
	Apr	11.75	10.50	10.66	10.50	7.59	6.95	6.50	6.77	7.00	7.00
	May	11.75	10.50	10.58	10.50	6.80	6.75	6.31	6.48	7.00	7.00
	Jun	11.75	10.50	10.52	10.50	6.16	6.76	6.21	6.48	7.00	7.00
	Jul	11.75	10.50	10.52	10.50	7.11	6.73	6.13	6.48	7.00	7.00
	Aug	11.75	10.50	10.50	10.50	6.71	6.73	6.06	6.48	7.00	7.00
	Sep	11.75	10.50	10.77	10.50	6.75	6.74	6.13	6.66	7.00	7.00
	Oct	11.75	10.50	10.55	10.50	6.93	6.79	5.98	6.82	7.00	7.00
	Nov	11.75	10.50	10.54	10.50	6.93	6.89	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
2006	Jan	11.75	10.50	10.46	10.50	7.03	6.74	6.09	6.59	7.00	7.00
	Feb	11.75	10.50	10.69	10.50	6.94	6.68	6.10	6.58	7.00	7.00
	Mar	11.75	10.50	10.78	10.50	6.67	6.53	6.11	6.62	7.00	7.00
	Apr	11.75	10.50	10.58	10.50	6.63	6.65	6.31	6.59	7.00	7.00
	May	11.75	10.50	10.80	10.50	6.50	6.80	6.13	6.75	7.00	7.00
	Jun	12.25	11.00	10.61	11.00	6.77	7.11	6.24	7.32	7.50	7.50
	Jul	12.25	11.00	10.93	11.00	7.23	7.28	6.18	7.46	7.50	7.50
	Aug	12.75	11.50	11.01	11.50	7.56	7.69	6.34	7.92	8.00	8.00
	Sep	12.75	11.50	11.71	11.50	7.57	7.75	6.22	8.08	8.00	8.00
	Oct	13.25	12.00	11.97	12.00	7.52	8.22	6.37	8.36	8.50	8.50
	Nov	13.25	12.00	12.2	12.00	7.95	8.23	6.64	8.57	8.50	8.50
	Dec	13.25	12.50	12.43	12.50	7.95	8.39	6.85	8.57	9.00	9.00
2007	Jan	13.75	12.50	12.63	12.50	8.36	8.87	6.98	9.00	9.00	9.00
	Feb	13.75	12.50	12.32	12.50	8.22	8.41	7.38	8.99	9.00	9.00
	Mar	13.75	12.50	11.90	12.50	8.06	8.26	7.22	8.93	9.00	9.00
	Apr	13.75	12.50	12.44	12.50	8.00	8.32	7.18	9.22	9.00	9.00
	May	13.75	12.50	12.65	12.50	8.11	8.68	7.34	9.23	9.00	9.00
	Jun	14.25	13.00	12.22	12.88	8.03	9.10	7.24	9.59	9.50	9.50
	Jul	14.25	13.00	13.03	13.00	8.66	8.86	7.49	9.93	9.50	9.50
	Aug	14.75	13.50	12.85	13.25	8.98	9.26	7.68	10.15	10.00	10.00
	Sep	14.75	13.50	12.89	13.50	9.24	9.43	7.74	10.11	10.00	10.00
	Oct	15.25	14.00	13.56	13.81	9.16	9.96	7.95	10.39	10.50	10.50
	Nov	15.25	14.00	14.53	14.00	9.19	10.43	8.08	10.65	10.50	10.50
	Dec	15.25	14.50	13.59	14.39	9.80	10.52	8.28	10.92	10.50	11.00
2008	Jan	15.25	14.50	14.01	14.50	9.70	10.37	8.13	10.82	10.50	11.00
	Feb	15.25	14.50	14.18	14.50	9.24	10.24	8.23	10.32	10.50	11.00
	Mar	15.25	14.50	13.93	14.50	9.20	10.04	8.35	10.99	10.50	11.00
	Apr	15.25	15.00	13.14	14.82	9.15	10.46	8.14	11.05	10.50	11.50
	May	15.25	15.00	13.20	15.00	9.36	11.55	8.29	11.51	10.50	11.50
	Jun	15.25	15.50	13.49	15.29	10.19	11.38	8.33	11.20	10.50	12.00
	Jul	15.25	15.50	13.13	15.50	10.74	11.35	8.28	12.02	10.50	12.00
	Aug	15.25	15.50	13.80	15.50	10.79	11.16	8.40	11.91	10.50	12.00
	Sep	15.25	15.50	13.91	15.50	10.89	11.11	8.54	11.99	10.50	12.00
	Oct	15.25	15.50	13.99	15.50	11.22	10.93	8.70	12.00	10.50	12.00
	Nov	15.25	15.50	14.32	15.50	11.26	10.85	8.62	11.95	10.50	12.00
	Dec	14.75	15.00	13.74	15.21	11.29	10.77	8.60	11.61	10.00	11.50
2009	Jan	14.75	15.00	12.96	15.00	11.16	10.66	8.27	11.32	10.00	11.50
	Feb	13.75	14.00	13.84	14.17	10.90	9.22	8.46	10.49	9.00	10.50
	Mar	13.75	13.00	12.55	13.76	9.68	8.62	7.47	10.11	9.00	9.50
	Apr	12.75	13.00	11.35	13.00	9.33	8.28	6.84	9.43	8.00	9.50
	May	12.13	11.00	11.19	11.96	8.67	7.68	6.48	8.85	7.50	7.50
	Jun	11.56	11.00	10.21	11.00	7.63	7.23	5.78	8.29	7.00	7.50
	Jul	11.44	11.00	10.35	11.00	7.68	7.39	5.55	8.22	7.00	7.50
	Aug	11.44	10.50	9.75	10.70	7.48	7.16	5.35	8.00	7.00	7.00
	Sep	11.38	10.50	10.55	10.50	7.27	6.94	5.27	7.75	7.00	7.00
	Oct	11.31	10.50	9.91	10.50	7.34	6.95	5.15	7.68	7.00	7.00
	Nov	11.25	10.50	10.01	10.50	7.37	7.01	5.15	7.44	7.00	7.00
	Dec	11.25	10.50	10.75	10.50	7.42	7.07	5.11	7.40	7.00	7.00
2010	Jan	11.25	10.50	9.95	10.50	7.38	7.11	5.31	7.31	7.00	7.00
	Feb	11.25	10.50	10.15	10.50	7.26	7.08	5.27	7.42	7.00	7.00
	Mar	11.25	10.00	10.06	10.40	7.24	6.95	5.31	7.23	7.00	6.50
	Apr	11.25	10.00	9.60	10.00	7.02	6.59	5.12	7.10	7.00	6.50
	May	11.25	10.00	9.87	10.00	6.93	6.58	5.29	6.87	7.00	6.50
	Jun	11.25	10.00	9.78	10.00	6.92	6.54	5.06	6.88	7.00	6.50
	Jul	11.13	10.00	9.82	10.00	6.77	6.48	5.04	6.66	7.00	6.50
	Aug	11.13	10.00	9.60	10.00	6.59	6.42	4.88	6.60	7.00	6.50
	Sep	11.13	9.50	9.59	9.66	6.59	6.08	4.81	6.36	7.00	6.00
	Oct	10.94	9.50	9.66	9.50	6.37	5.97	4.84	6.17	6.75	6.00
	Nov	10.50	9.00	9.42	9.31	5.94	5.65	4.62	5.97	6.75	5.50
	Dec	9.75	9.00	9.14	9.00	5.68	5.59	4.41	6.37	6.00	5.50
2011	Jan	9.75	9.00	8.65	9.00	5.64	5.54	4.29	5.70	6.00	5.50
	Feb	9.75	9.00	8.93	9.00	5.68	5.53	4.07	5.68	6.00	5.50
	Mar	9.75	9.00	8.77	9.00	5.74	5.50	4.33	5.75	6.00	5.50

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

	Period	Offer	Tendered	Surplus(+) Deficit (-)	Effective Yield %
<b>91 days</b>					
<b>2009</b>					
Jan		150.0	274.0	124.0	11.2
Feb		150.0	190.0	40.0	10.9
Mar		160.0	352.0	192.0	9.7
Apr		150.0	190.9	40.9	9.3
May		150.0	332.5	182.5	8.7
June		160.0	235.0	75.0	7.6
July		150.0	267.0	117.0	7.7
Aug		150.0	257.0	107.0	7.5
Sep		160.0	290.0	130.0	7.3
Oct		150.0	120.4	-29.6	7.3
Nov		150.0	260.0	110.0	7.4
Dec		160.0	231.0	71.0	7.4
<b>2010</b>					
Jan		120.4	161.2	40.9	7.4
Feb		150.0	273.0	123.0	7.3
Mar		160.0	156.6	-3.4	7.2
Apr		120.0	189.9	69.9	7.0
May		150.0	206.5	56.5	6.9
June		160.0	199.5	39.5	6.9
July		150.0	269.2	119.2	6.8
Aug		150.0	288.5	138.5	6.6
Sep		200.0	240.6	40.6	6.6
Oct		150.0	117.3	-32.7	6.4
Nov		150.0	295.0	145.0	5.9
Dec		200.0	220.8	20.8	5.7
<b>2011</b>					
Jan		150.0	257.1	107.1	5.6
Feb		200.0	229.7	29.7	5.7
Mar		200.0	195.0	-5.0	5.7
Apr		200.0	231.7	31.7	6.0
May		200.0	239.0	39.0	6.0
<b>182 days</b>					
<b>2009</b>					
Jan		100.0	361.7	261.7	11.1
Feb		150.0	439.0	289.0	10.4
Feb		200.0	337.5	137.5	8.9
Mar		150.0	297.4	147.4	8.4
May		150.0	355.7	205.7	8.0
June		200.0	359.0	159.0	7.6
July		100.0	283.9	183.9	7.7
Aug		150.0	420.5	270.5	7.7
Aug		200.0	386.9	186.9	7.5
Sep		150.0	293.8	143.8	7.5
Nov		150.0	224.3	74.3	7.5
Dec		200.0	315.1	115.1	7.6
<b>2010</b>					
Jan		100.0	238.4	138.4	7.5
Feb		150.0	329.2	179.2	7.5
Feb		200.0	477.1	277.1	7.5
Mar		150.0	202.3	52.3	7.5
May		150.0	201.2	51.2	7.0
June		200.0	285.7	85.7	7.0
July		150.0	343.5	193.5	6.9
Aug		150.0	435.0	285.0	6.6
Aug		200.0	522.7	322.7	6.6
Sep		150.0	266.3	116.3	6.2
Nov		150.0	313.3	163.3	6.0
Dec		200.0	624.8	424.8	5.7
Dec		250.0	626.5	376.5	5.9
<b>2011</b>					
Jan		200.0	385.8	185.8	5.8
Feb		200.0	376.1	176.1	5.9
Feb		250.0	578.6	328.6	5.9
Mar		200.0	300.3	100.3	6.0
Apr		150.0	528.2	378.2	6.0
May		250.0	316.5	66.5	6.0
<b>273 days</b>					
<b>2011</b>					
Apr		200.0	597.5	397.5	6.2
May		200.0	287.0	87.0	5.2
<b>365 days</b>					
<b>2009</b>					
Feb		100.0	404.0	304.0	10.2
Mar		100.0	293.0	193.0	8.6
Apr		150.0	298.0	148.0	8.5
May		150.0	315.8	165.8	8.2
May		100.0	270.0	170.0	8.1
June		130.0	338.0	208.0	7.6
June		200.0	246.0	46.0	7.7
July		150.0	350.6	200.6	7.9
July		50.0	3.0	-47.0	7.9
Aug		150.0	233.0	83.0	8.0
Sep		150.0	308.3	158.3	7.8
Sep		150.0	316.0	166.0	7.7
Oct		100.0	223.2	123.2	7.8
Nov		250.0	295.0	45.0	7.9
Dec		200.0	266.0	66.0	8.1
<b>2010</b>					
Feb		100.0	399.8	299.8	7.9
Mar		100.0	174.7	74.7	7.8
Apr		150.0	292.4	142.4	7.3
May		150.0	275.2	125.2	7.4
May		100.0	273.3	173.3	7.4
Jun		130.0	205.2	75.2	7.3
Jun		200.0	152.2	-47.8	7.3
Jul		150.0	360.3	210.3	7.2
Jul		100.0	209.4	109.4	7.1
Aug		150.0	341.6	191.6	6.9
Sep		150.0	296.8	146.8	6.5
Sep		150.0	249.3	99.3	6.5
Oct		150.0	304.5	154.5	6.4
Nov		250.0	713.4	463.4	6.0
Dec		200.0	618.7	418.7	5.8
Dec		250.0	448.8	198.8	6.0
<b>2011</b>					
Jan		100.0	290.3	190.3	6.1
Feb		150.0	386.4	236.4	6.2
Mar		200.0	289.9	89.9	6.3
Apr		250.0	417.6	167.6	6.4
May		250.0	405.5	155.5	6.4
May		200.0	373.0	173.0	6.4

**Table III.1(b) Allotment of Government of Namibia treasury bills - N\$ '000**

Date issued	Date due	Deposit Money Banks	Other Banking Institutions	Banking Sector	Non-banking Financial Institutions	Other Public Enterprises	Private Sector	TOTAL	Amount Outstanding
<b>2009</b>									
Jan	05/09	143,790.0	0.0	143,790.0	0.0	0.0	6,210.0	150,000.0	3,505,000.0
Jan*	07/09	98,000.0	0.0	98,000.0	2,000.0	0.0	0.0	100,000.0	3,505,000.0
Feb	05/09	125,000.0	0.0	125,000.0	25,000.0	0.0	0.0	150,000.0	3,505,000.0
Feb*	08/09	54,700.0	0.0	54,700.0	95,300.0	0.0	0.0	150,000.0	3,505,000.0
Feb**	08/09	199,550.0	0.0	199,550.0	450.0	0.0	0.0	200,000.0	3,505,000.0
Feb**	02/10	30,000.0	0.0	30,000.0	69,520.0	0.0	480.0	100,000.0	3,505,000.0
Mar	06/09	35,000.0	0.0	35,000.0	124,400.0	0.0	600.0	160,000.0	3,540,000.0
Mar*	09/09	130,000.0	0.0	130,000.0	20,000.0	0.0	0.0	150,000.0	3,540,000.0
Mar**	03/10	58,980.0	0.0	58,980.0	41,020.0	0.0	0.0	100,000.0	3,540,000.0
Apr	07/09	114,080.0	0.0	114,080.0	30,000.0	0.0	5,920.0	150,000.0	3,540,000.0
Apr**	04/10	120,000.0	0.0	120,000.0	30,000.0	0.0	0.0	150,000.0	3,540,000.0
May	08/09	141,000.0	0.0	141,000.0	9,000.0	0.0	0.0	150,000.0	3,540,000.0
May*	11/09	117,320.0	0.0	117,320.0	31,780.0	0.0	900.0	150,000.0	3,540,000.0
May**	05/09	139,260.0	0.0	139,260.0	10,740.0	0.0	0.0	150,000.0	3,540,000.0
May**	05/09	100,000.0	0.0	100,000.0	0.0	0.0	0.0	100,000.0	3,540,000.0
June	09/09	160,000.0	0.0	160,000.0	0.0	0.0	0.0	160,000.0	3,540,000.0
June*	12/09	192,640.0	0.0	192,640.0	7,360.0	0.0	0.0	200,000.0	3,540,000.0
June**	06/10	198,500.0	0.0	198,500.0	1,500.0	0.0	0.0	200,000.0	3,540,000.0
June**	06/10	123,850.0	0.0	123,850.0	6,150.0	0.0	0.0	130,000.0	3,540,000.0
July	10/09	143,720.0	0.0	143,720.0	0.0	0.0	6,280.0	150,000.0	3,540,000.0
July*	01/10	99,300.0	0.0	99,300.0	0.0	0.0	700.0	100,000.0	3,540,000.0
July**	07/10	140,000.0	0.0	140,000.0	10,000.0	0.0	0.0	150,000.0	3,540,000.0
July**	07/10	50,000.0	0.0	50,000.0	0.0	0.0	0.0	50,000.0	3,540,000.0
Aug	11/09	148,000.0	0.0	148,000.0	2,000.0	0.0	0.0	150,000.0	3,540,000.0
Aug*	02/10	84,480.0	0.0	84,480.0	65,000.0	0.0	520.0	150,000.0	3,540,000.0
Aug*	02/10	173,110.0	0.0	173,110.0	26,370.0	0.0	520.0	200,000.0	3,540,000.0
Sept	12/09	160,000.0	0.0	160,000.0	0.0	0.0	0.0	160,000.0	3,540,000.0
Sept*	03/10	148,360.0	0.0	148,360.0	1,640.0	0.0	0.0	150,000.0	3,540,000.0
Sept**	09/10	70,370.0	0.0	70,370.0	79,630.0	0.0	0.0	150,000.0	3,540,000.0
Sept**	09/10	70,370.0	0.0	70,370.0	79,630.0	0.0	0.0	150,000.0	3,540,000.0
Oct	01/10	100,000.0	0.0	100,000.0	14,000.0	0.0	6,360.0	120,360.0	3,510,360.0
Oct**	10/10	64,000.0	0.0	64,000.0	36,000.0	0.0	0.0	100,000.0	3,510,360.0
Nov	02/10	150,000.0	0.0	150,000.0	0.0	0.0	0.0	150,000.0	3,510,360.0
Nov**	05/10	125,690.0	0.0	125,690.0	23,380.0	0.0	930.0	150,000.0	3,510,360.0
Nov**	11/10	146,900.0	0.0	146,900.0	102,600.0	0.0	500.0	250,000.0	3,510,360.0
Dec	03/10	127,490.0	0.0	127,490.0	32,510.0	0.0	0.0	160,000.0	3,510,360.0
Dec*	06/10	164,000.0	0.0	164,000.0	36,000.0	0.0	0.0	200,000.0	3,510,360.0
Dec**	12/10	130,430.0	0.0	130,430.0	69,570.0	0.0	0.0	200,000.0	3,510,360.0
<b>2010</b>									
Jan	04/10	96,120.0	0.0	96,120.0	22,930.0	0.0	1,310.0	120,360.0	3,510,360.0
Jan*	07/10	100,000.0	0.0	100,000.0	0.0	0.0	0.0	100,000.0	3,510,360.0
Feb	05/10	150,000.0	0.0	150,000.0	0.0	0.0	0.0	150,000.0	3,510,360.0
Feb*	08/10	85,840.0	0.0	85,840.0	63,630.0	0.0	530.0	150,000.0	3,510,360.0
Feb**	08/10	179,950.0	0.0	179,950.0	19,520.0	0.0	530.0	200,000.0	3,510,360.0
Mar	06/10	140,000.0	0.0	140,000.0	16,640.0	0.0	0.0	156,640.0	3,507,000.0
Mar*	09/10	137,670.0	0.0	137,670.0	10,890.0	0.0	1,440.0	150,000.0	3,507,000.0
Mar**	03/11	75,170.0	0.0	75,170.0	24,830.0	0.0	0.0	100,000.0	3,507,000.0
Apr	07/10	95,120.0	0.0	95,120.0	23,560.0	0.0	1,320.0	120,000.0	3,506,640.0
Apr**	04/11	145,000.0	0.0	145,000.0	5,000.0	0.0	0.0	150,000.0	3,506,640.0
May	08/10	125,000.0	0.0	125,000.0	25,000.0	0.0	0.0	150,000.0	3,506,640.0
May*	11/10	94,730.0	0.0	94,730.0	55,270.0	0.0	0.0	150,000.0	3,506,640.0
May**	05/11	136,770.0	0.0	136,770.0	13,130.0	0.0	100.0	150,000.0	3,506,640.0
Jun	09/10	100,000.0	0.0	100,000.0	0.0	0.0	0.0	100,000.0	3,506,640.0
Jun*	12/10	164,320.0	0.0	164,320.0	35,000.0	0.0	680.0	200,000.0	3,510,000.0
Jun**	06/11	130,000.0	0.0	130,000.0	0.0	0.0	0.0	130,000.0	3,440,000.0
Jun**	06/11	145,000.0	0.0	145,000.0	6,770.0	0.0	450.0	152,220.0	3,462,220.0
Jul	10/10	142,390.0	0.0	142,390.0	7,380.0	0.0	230.0	150,000.0	3,492,220.0
Jul*	01/11	149,490.0	0.0	149,490.0	0.0	0.0	510.0	150,000.0	3,542,220.0
Jul**	07/11	150,000.0	0.0	150,000.0	0.0	0.0	0.0	150,000.0	3,542,220.0
Aug	11/10	76,500.0	0.0	76,500.0	73,000.0	0.0	500.0	150,000.0	3,592,220.0
Aug*	02/11	145,590.0	0.0	145,590.0	4,410.0	0.0	0.0	150,000.0	3,592,220.0
Aug*	02/11	199,460.0	0.0	199,460.0	0.0	0.0	540.0	200,000.0	3,592,220.0
Aug**	08/11	128,400.0	0.0	128,400.0	21,600.0	0.0	0.0	150,000.0	3,592,220.0
Sept	12/10	149,400.0	0.0	149,400.0	50,000.0	0.0	600.0	200,000.0	3,632,220.0
Sept*	03/11	143,730.0	0.0	143,730.0	4,800.0	0.0	1,470.0	150,000.0	3,632,220.0
Sept**	09/11	63,200.0	0.0	63,200.0	86,800.0	0.0	0.0	150,000.0	3,632,220.0
Sept**	09/11	105,660.0	0.0	105,660.0	44,340.0	0.0	0.0	150,000.0	3,632,220.0
Oct	01/11	90,000.0	0.0	90,000.0	27,040.0	0.0	230.0	117,270.0	3,599,490.0
Oct**	10/11	145,000.0	0.0	145,000.0	5,000.0	0.0	0.0	150,000.0	3,649,490.0
Nov	02/11	130,000.0	0.0	130,000.0	20,000.0	0.0	0.0	150,000.0	3,649,490.0
Nov*	05/11	149,130.0	0.0	149,130.0	360.0	0.0	510.0	150,000.0	3,649,490.0
Nov**	11/11	118,010.0	0.0	118,010.0	131,990.0	0.0	0.0	250,000.0	3,649,490.0
Dec	03/11	144,780.0	0.0	144,780.0	55,220.0	0.0	0.0	200,000.0	3,649,490.0
Dec*	06/11	60,590.0	0.0	60,590.0	139,410.0	0.0	0.0	200,000.0	3,649,490.0
Dec*	06/11	165,000.0	0.0	165,000.0	46,010.0	0.0	0.0	211,010.0	4,060,500.0
Dec**	12/11	200,000.0	0.0	200,000.0	0.0	0.0	0.0	200,000.0	4,060,500.0
Dec**	12/11	110,000.0	0.0	110,000.0	23,550.0	0.0	0.0	133,550.0	3,994,050.0
<b>2011</b>									
Jan	04/11	132,880.0	0.0	132,880.0	16,520.0	0.0	600.0	150,000.0	4,026,780.0
Jan*	07/11	189,240.0	0.0	189,240.0	10,000.0	0.0	760.0	200,000.0	4,076,780.0
Jan**	01/12	84,870.0	0.0	84,870.0	15,330.0	0.0	0.0	100,000.0	4,176,780.0
Feb	05/11	197,000.0	0.0	197,000.0	3,000.0	0.0	0.0	200,000.0	4,226,780.0
Feb*	08/11	189,300.0	0.0	189,300.0	10,700.0	0.0	0.0	200,000.0	4,276,780.0
Feb**	08/11	238,450.0	0.0	238,450.0	11,550.0	0.0	0.0	250,000.0	4,326,780.0
Feb**	02/12	125,160.0	0.0	125,160.0	24,840.0	0.0	0.0	150,000.0	4,376,780.0
Mar	06/11	120,000.0	0.0	120,000.0	0.0	0.0	0.0	120,000.0	4,296,780.0
Mar*	09/11	177,750.0	0.0	177,750.0	20,760.0	0.0	1,490.0	200,000.0	4,346,780.0
Mar**	03/12	166,400.0	0.0	166,400.0	33,600.0	0.0	0.0	200,000.0	4,446,780.0
Apr	07/11	193,260.0	0.0	193,260.0	0.0	0.0	6,740.0	200,000.0	4,496,780.0
Apr*	10/11	150,000.0	0.0	150,000.0	0.0	0.0	0.0	150,000.0	4,465,780.0
Apr**	01/12	198,850.0	0.0	198,850.0	360.0	0.0	790.0	200,000.0	4,846,780.0
Apr**	04/12	207,440.0	0.0	207,440.0	42,560.0	0.0	0.0	250,000.0	4,946,780.0
May	08/11	200,000.0	0.0	200,000.0	0.0	0.0	0.0	200,000.0	4,946,780.0
May*	11								

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

		Offer	Amount Tendered	Surplus (+) Deficit (-)	Weighted YTM %
<b>GC12 (10.50%)</b>	<b>2007</b>				
Jan	40.0	160.0	120.0	9.3	
Feb	40.0	138.5	98.5	8.9	
Mar	40.0	162.4	122.4	8.7	
<b>2008</b>					
Apr	40.0	217.5	177.5	9.8	
Jun	40.0	188.7	148.7	11.8	
Jul	90.0	201.9	111.9	11.6	
Sep	40.0	54.5	14.5	9.9	
Oct	40.0	41.0	1.0	9.6	
<b>2009</b>					
Jan	40.0	65.0	25.0	8.4	
Feb	40.0	50.0	10.0	8.2	
Mar	40.0	15.0	-25.0	8.1	
Apr	10.0	17.0	7.0	7.9	
May	10.0	32.0	22.0	7.8	
June	10.0	10.0	0.0	8.2	
July	10.0	37.0	27.0	8.4	
Aug	10.0	31.0	21.0	8.3	
Sent	10.0	22.0	12.0	8.2	
Oct	10.0	20.0	10.0	8.3	
Nov	10.0	17.0	7.0	8.1	
Dec	10.0	20.0	10.0	8.2	
<b>2010</b>					
Jan	100.0	403.4	303.4	8.2	
Feb	10.0	14.0	4.0	8.1	
<b>GC14 (7.50%)</b>	<b>2011</b>				
May	50.0	119.4	69.4	7.7	
<b>GC15 (13.00%)</b>					
<b>GC17 (8.00%)</b>					
May	50.0	60.8	10.8	9.0	
<b>GC18 (9.50%)</b>	<b>2008</b>				
Jun	80.0	227.3	147.3	11.1	
Jul	100.0	190.2	90.2	11.1	
Sep	40.0	82.3	42.3	9.5	
Oct	40.0	39.0	-1.0	9.6	
<b>2009</b>					
Jan	40.0	20.0	-20.0	9.0	
Feb	40.0	83.2	43.2	9.8	
Mar	40.0	95.3	55.3	9.5	
Apr	20.0	77.0	57.0	9.6	
May	20.0	42.0	22.0	9.5	
June	20.0	37.0	17.0	9.6	
July	20.0	61.5	41.5	9.9	
Aug	20.0	29.0	9.0	9.4	
Sept	20.0	92.0	72.0	9.2	
Oct	20.0	45.6	25.6	9.6	
Nov	20.0	100.0	80.0	9.4	
Dec	20.0	54.0	34.0	9.4	
<b>2010</b>					
Jan	200.0	381.6	181.6	9.5	
Feb	20.0	71.0	51.0	9.3	
Apr	20.0	88.6	68.6	8.9	
May	20.0	72.0	52.0	9.1	
June	20.0	77.8	57.8	8.9	
July	20.0	62.5	42.5	8.5	
Aug	20.0	23.0	3.0	8.3	
Sep	20.0	61.0	41.0	8.1	
Oct	20.0	74.5	54.5	8.1	
Nov	20.0	98.0	78.0	7.9	
Dec	80.0	130.5	50.5	8.7	
<b>2011</b>					
Feb	100.0	34.0	-66.0	9.0	
Mar	100.0	84.9	-15.2	9.6	
Apr	50.0	100.1	50.1	9.4	
May	50.0	84.5	34.5	9.2	
<b>GC21 (7.75%)</b>	<b>2010</b>				
Nov	20.0	118.0	98.0	8.2	
Dec	80.0	114.0	34.0	8.8	
<b>2011</b>					
Jan	100.0	41.0	-59.0	8.9	
Feb	100.0	32.0	-68.0	9.3	
Mar	100.0	102.0	2.0	9.7	
Apr	50.0	41.0	-9.0	9.5	
May	50.0	89.5	39.5	9.3	
<b>GC24 (10.50%)</b>	<b>2008</b>				
Apr	40.0	146.0	106.0	9.6	
Jun	40.0	83.9	43.9	11.0	
Jul	90.0	60.9	-29.1	10.9	
Sep	40.0	111.7	71.7	9.4	
Oct	40.0	25.9	-14.2	9.5	
<b>2009</b>					
Feb	40.0	42.0	2.0	9.7	
Mar	40.0	80.0	40.0	9.5	
Apr	20.0	61.0	41.0	9.7	
May	20.0	56.1	36.1	9.7	
June	20.0	37.0	17.0	9.7	
July	20.0	54.0	34.0	9.9	
Aug	20.0	32.2	12.2	9.4	
Sep	10.0	22.0	12.0	8.2	
Sep	20.0	92.0	72.0	9.3	
Oct	20.0	30.5	10.5	9.7	
Nov	20.0	87.0	67.0	9.5	
Dec	20.0	47.0	27.0	9.5	
<b>2010</b>					
Jan	200.0	114.0	-86.0	9.7	
Feb	20.0	82.0	62.0	9.5	
Apr	20.0	57.1	37.1	8.9	
May	20.0	77.7	57.7	9.1	
June	20.0	86.2	66.2	9.0	
July	20.0	55.6	35.6	8.9	
Aug	20.0	30.6	10.6	8.4	
Sep	20.0	83.0	63.0	8.1	
Oct	20.0	65.4	45.4	8.1	
Nov	20.0	64.4	44.4	8.3	
Dec	80.0	84.0	4.0	9.1	
<b>2011</b>					
Jan	100.0	22.0	-78.0	9.0	
Apr	20.0	17.5	-2.5	9.6	
May	20.0	17.1	-3.0	9.5	
<b>GC27 (8.00%)</b>	<b>2011</b>				
Feb	100.0	20.0	-80.0	9.2	
Mar	80.0	11.0	-69.0	10.0	
Apr	20.0	42.5	22.5	9.8	
May	20.0	5.0	-15.0	9.6	
<b>GC30 (8.00%)</b>	<b>2011</b>				
Feb	100.0	23.0	-77.0	9.3	
Mar	80.0	5.0	-75.0	10.1	
Apr	20.0	22.7	2.7	10.0	
May	20.0	5.1	-14.9	9.9	

**Table III.2(b) Allotment of Government of Namibia internal registered stock - N\$ '000**

Date issued	Date Due due	Coupon Rate. rate [%]	Deposit Money Banks	Other Banking Institutions	Banking Sector	Non-bank Financial Institutions	Other Public Enterprises	Private Sector	TOTAL	Amount Outstanding
<b>2009</b>										
Jan	10/15	10.50	40,000.0	0.0	40,000.0	0.0	0.0	0.0	40,000.0	6,024,677.2
Jan	07/15	9.50	10,000.0	0.0	10,000.0	0.0	0.0	0.0	10,000.0	6,034,677.2
Feb	10/12	10.50	22,000.0	0.0	22,000.0	0.0	0.0	0.0	22,000.0	6,056,677.2
Feb	07/18	9.50	34,800.0	0.0	34,800.0	5,000.0	0.0	200.0	40,000.0	6,096,677.2
Feb	10/24	10.50	40,000.0	0.0	40,000.0	0.0	0.0	0.0	40,000.0	6,136,677.2
Mar	10/12	10.50	5,000.0	0.0	5,000.0	0.0	0.0	0.0	5,000.0	6,141,677.2
Mar	06/18	9.50	40,000.0	0.0	40,000.0	0.0	0.0	0.0	40,000.0	6,181,677.2
Mar	10/24	10.50	40,000.0	0.0	40,000.0	0.0	0.0	0.0	40,000.0	6,221,677.2
Apr	10/12	10.50	5,000.0	0.0	5,000.0	0.0	0.0	0.0	5,000.0	6,226,677.2
Apr	07/18	9.50	18,000.0	0.0	18,000.0	2,000.0	0.0	0.0	20,000.0	6,246,677.2
Apr	10/24	10.50	20,000.0	0.0	20,000.0	0.0	0.0	0.0	20,000.0	6,266,677.2
May	10/12	10.50	10,000.0	0.0	10,000.0	0.0	0.0	0.0	10,000.0	6,276,677.2
May	07/18	9.50	18,000.0	0.0	18,000.0	2,000.0	0.0	0.0	20,000.0	6,296,677.2
May	10/24	10.50	20,000.0	0.0	20,000.0	0.0	0.0	0.0	20,000.0	6,316,677.2
June	10/12	10.50	10,000.0	0.0	10,000.0	0.0	0.0	0.0	10,000.0	6,326,677.2
June	07/18	9.50	20,000.0	0.0	20,000.0	0.0	0.0	0.0	20,000.0	6,346,677.2
June	10/24	10.50	8,920.0	0.0	8,920.0	0.0	10,000.0	1,080.0	20,000.0	6,366,677.2
July	10/12	10.50	0.0	0.0	0.0	0.0	10,000.0	0.0	10,000.0	6,376,677.2
July	07/18	9.50	20,000.0	0.0	20,000.0	0.0	0.0	0.0	20,000.0	6,396,677.2
July	10/24	10.50	20,000.0	0.0	20,000.0	0.0	0.0	0.0	20,000.0	6,416,677.2
Aug	10/12	10.50	10,000.0	0.0	10,000.0	0.0	0.0	0.0	10,000.0	6,426,677.2
Aug	07/18	9.50	20,000.0	0.0	20,000.0	0.0	0.0	0.0	20,000.0	6,446,677.2
Aug	10/24	10.50	20,000.0	0.0	20,000.0	0.0	0.0	0.0	20,000.0	6,466,677.2
Sept	10/12	10.50	10,000.0	0.0	10,000.0	0.0	0.0	0.0	10,000.0	6,476,677.2
Sept	07/18	9.50	20,000.0	0.0	20,000.0	0.0	0.0	0.0	20,000.0	6,496,677.2
Sept	10/24	10.50	20,000.0	0.0	20,000.0	0.0	0.0	0.0	20,000.0	6,516,677.2
Oct	10/12	10.50	10,000.0	0.0	10,000.0	0.0	0.0	0.0	10,000.0	6,526,677.2
Oct	07/18	9.50	20,000.0	0.0	20,000.0	0.0	0.0	0.0	20,000.0	6,546,677.2
Oct	10/24	10.50	19,520.0	0.0	19,520.0	0.0	0.0	480.0	20,000.0	6,566,677.2
Nov	10/12	10.50	10,000.0	0.0	10,000.0	0.0	0.0	0.0	10,000.0	6,576,677.2
Nov	07/18	9.50	15,000.0	0.0	15,000.0	5,000.0	0.0	0.0	20,000.0	6,596,677.2
Nov	10/24	10.50	20,000.0	0.0	20,000.0	0.0	0.0	0.0	20,000.0	6,616,677.2
Dec	10/12	10.50	10,000.0	0.0	10,000.0	0.0	0.0	0.0	10,000.0	6,626,677.2
Dec	07/18	9.50	11,000.0	0.0	11,000.0	9,000.0	0.0	0.0	20,000.0	6,646,677.2
Dec	10/24	10.50	19,700.0	0.0	19,700.0	0.0	0.0	300.0	20,000.0	6,666,677.2
<b>2010</b>										
Jan	10/12	10.50	99,420.0	0.0	99,420.0	580.0	0.0	0.0	100,000.0	6,766,677.2
Jan	07/18	9.50	174,940.0	0.0	174,940.0	8,600.0	0.0	16,460.0	200,000.0	6,966,677.2
Jan***	10/24	10.50	97,160.0	0.0	97,160.0	0.0	0.0	4,800.0	101,960.0	5,318,990.0
Feb	10/12	10.50	10,000.0	0.0	10,000.0	0.0	0.0	0.0	10,000.0	5,328,990.0
Feb	07/18	9.50	20,000.0	0.0	20,000.0	0.0	0.0	0.0	20,000.0	5,348,990.0
Feb	10/24	10.50	20,000.0	0.0	20,000.0	0.0	0.0	0.0	20,000.0	5,368,990.0
Apr	07/18	9.50	4,720.0	14,720.0	19,440.0	0.0	0.0	560.0	20,000.0	5,388,990.0
Apr	10/24	10.50	0.0	20,000.0	20,000.0	0.0	0.0	0.0	20,000.0	5,408,990.0
May	07/18	9.50	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	5,428,990.0
May	10/24	10.50	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	5,448,990.0
June	07/18	9.50	0.0	13,330.0	13,330.0	6,670.0	0.0	0.0	20,000.0	5,468,990.0
June	10/24	10.50	0.0	20,000.0	20,000.0	0.0	0.0	0.0	20,000.0	5,488,990.0
July	07/18	9.50	0.0	0.0	0.0	0.0	20,000.0	0.0	20,000.0	5,508,990.0
July	10/24	10.50	0.0	0.0	0.0	0.0	20,000.0	0.0	20,000.0	5,528,990.0
Aug	07/18	9.50	20,000.0	0.0	20,000.0	0.0	0.0	0.0	20,000.0	5,548,990.0
Aug	10/24	10.50	19,400.0	0.0	19,400.0	0.0	0.0	600.0	20,000.0	5,568,990.0
Sep	07/18	9.50	15,000.0	0.0	15,000.0	0.0	5,000.0	0.0	20,000.0	5,588,990.0
Sep	10/24	10.50	5,460.0	0.0	5,460.0	0.0	14,540.0	0.0	20,000.0	5,608,990.0
Oct	07/18	9.50	15,000.0	0.0	15,000.0	5,000.0	0.0	0.0	20,000.0	5,628,990.0
Oct	10/24	10.50	15,000.0	0.0	15,000.0	5,000.0	0.0	0.0	20,000.0	5,648,990.0
Nov	07/18	9.50	5,000.0	10,000.0	15,000.0	5,000.0	0.0	0.0	20,000.0	5,668,990.0
Nov	10/21	7.75	10,670.0	0.0	10,670.0	9,330.0	0.0	0.0	20,000.0	5,688,990.0
Nov	10/24	10.50	10,000.0	5,870.0	15,870.0	3,730.0	0.0	400.0	20,000.0	5,708,990.0
Dec	07/18	9.50	58,000.0	0.0	58,000.0	26,500.0	35,000.0	0.0	119,500.0	5,828,490.0
Dec	10/21	7.75	41,000.0	0.0	41,000.0	14,000.0	25,000.0	0.0	80,000.0	5,908,490.0
Dec	10/24	10.50	26,000.0	0.0	26,000.0	14,000.0	40,000.0	0.0	80,000.0	5,988,490.0
<b>2011</b>										
Jan	10/21	7.75	24,000.0	0.0	24,000.0	0.0	0.0	0.0	24,000.0	6,012,490.0
Jan	10/24	10.50	10,000.0	0.0	10,000.0	0.0	0.0	0.0	10,000.0	6,022,490.0
Feb	07/18	9.50	14,000.0	15,000.0	29,000.0	0.0	0.0	0.0	29,000.0	6,051,490.0
Feb	10/21	7.75	24,000.0	0.0	24,000.0	3,000.0	0.0	0.0	27,000.0	6,078,490.0
Feb	01/27	8.00	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	6,098,490.0
Feb	01/30	8.00	0.0	0.0	0.0	23,000.0	0.0	0.0	23,000.0	6,121,490.0
Mar	07/18	9.50	14,000.0	0.0	14,000.0	8,000.0	0.0	300.0	22,300.0	6,143,790.0
Mar	10/21	7.75	23,000.0	0.0	23,000.0	11,000.0	0.0	0.0	34,000.0	6,177,790.0
Mar	01/27	8.00	10,000.0	0.0	10,000.0	0.0	0.0	0.0	10,000.0	6,187,790.0
Mar	01/30	8.00	5,000.0	0.0	5,000.0	0.0	0.0	0.0	5,000.0	6,192,790.0
Apr	07/28	9.50	28,870.0	0.0	28,870.0	21,000.0	0.0	130.0	50,000.0	6,242,790.0
Apr	10/21	7.75	0.0	0.0	0.0	14,950.0	5,000.0	0.0	19,950.0	6,262,740.0
Apr	10/24	10.50	15,000.0	0.0	15,000.0	2,500.0	0.0	0.0	17,500.0	6,280,240.0
Apr	01/27	8.00	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	6,300,240.0
Apr	01/30	8.00	7,000.0	0.0	7,000.0	10,000.0	0.0	700.0	17,700.0	6,317,940.0
May	07/14	7.50	0.0	0.0	0.0	50,000.0	0.0	0.0	50,000.0	6,367,940.0
May	10/17	8.00	36,340.0	0.0	36,340.0	13,410.0	0.0	250.0	50,000.0	6,417,940.0
May	07/18	9.50	50,000.0	0.0	50,000.0	0.0	0.0	0.0	50,000.0	6,467,940.0
May	10/21	7.75	40,000.0	0.0	40,000.0	10,000.0	0.0	0.0	50,000.0	6,517,940.0
May	10/24	10.50	5,000.0	0.0	5,000.0	10,550.0	0.0	0.0	15,550.0	6,533,490.0
May	01/27	8.00	5,000.0	0.0	5,000.0	0.0	0.0	0.0	5,000.0	6,538,490.0
May	01/30	8.00	5,000.0	0.0	5,000.0	0.0	0.0	100.0	5,100.0	6,543,590.0

\*Redemption of GC07

\*\*Redemption of GC08

\*\*\*Redemption of GC10

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

**Table III.3 Government Foreign Debt by Type and Currency (N\$ million)**

	2007/08				2008/09				2009/10				2010/11			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Multilateral</b>	1,862.2	1,874.1	2,061.3	2,154.0	2,222.3	2,010.4	1,917.3	1,896.6	1,927.1	1,922.2	2,008.4	2,005.8	2,107.1			
Euro	817.6	845.9	844.1	910.1	865.0	749.5	749.6	706.9	637.4	583.5	592.7	565.5	594.9			
US Dollar	228.2	212.9	285.1	298.6	322.5	262.4	254.7	239.9	183.0	177.0	161.0	153.2	203.4			
Pound	5.5	5.1	4.6	4.0	3.8	3.5	3.3	2.3	2.2	0.0	0.0	0.0	0.0			
Rand	614.0	605.2	698.8	696.7	726.6	724.2	526.4	526.4	566.2	566.2	566.2	566.2	522.9			
Franc	7.9	24.2	25.6	30.2	28.5	24.4	24.6	24.3	23.6	23.9	24.1	24.2	24.8			
Dinar	125.3	113.6	128.3	113.5	114.1	112.5	106.6	106.5	106.8	101.0	81.5	79.5	79.0			
SDR	9.6	22.0	22.6	24.4	23.7	18.0	17.6	15.9	14.6	0.0	0.0	0.0	0.0			
Yen	54.0	45.2	52.1	76.5	138.1	115.9	234.4	274.5	393.4	470.5	582.9	617.2	682.0			
<b>Billateral</b>	1,280.8	1,390.2	1,362.9	1,536.2	1,511.4	1,310.3	1,132.6	1,425.4	1,119.4	1,007.5	1,038.6	980.3	1,130.0			
Euro	1,023.2	1,051.1	1,001.2	1,107.3	1,061.3	943.9	952.0	900.8	840.4	778.5	790.6	720.2	784.9			
Yuan	257.6	339.1	361.7	428.8	450.2	366.5	180.6	524.5	279.0	229.0	248.0	260.1	345.0			
<b>Foreign debt stock</b>	3,143.0	3,264.4	3,424.2	3,690.2	3,733.8	3,320.7	3,049.9	3,322.0	3,046.5	2,929.7	3,047.0	2,986.1	3,237.1			
Euro	1,840.7	1,897.0	1,845.3	2,017.4	1,926.3	1,693.4	1,701.6	1,607.7	1,477.8	1,362.0	1,383.3	1,285.6	1,379.9			
US Dollar	228.2	212.9	285.1	298.6	322.5	262.4	254.7	239.9	183.0	177.0	161.0	153.2	203.4			
Pound	5.5	5.1	4.6	4.0	3.8	3.5	3.3	2.3	2.2	0.0	0.0	0.0	0.0			
Rand	614.0	605.2	698.8	696.7	726.6	724.2	526.4	526.4	566.2	566.2	566.2	566.2	522.9			
Franc	7.9	24.2	25.6	30.2	28.5	24.4	24.6	24.3	23.6	23.9	24.1	24.2	24.8			
Dinar	125.3	113.6	128.3	113.5	114.1	112.5	106.6	106.5	106.8	101.0	81.5	79.5	79.0			
SDR	9.6	22.0	22.6	24.4	23.7	18.0	17.6	15.9	14.6	0.0	0.0	0.0	0.0			
Yen	54.0	45.2	52.1	76.5	138.1	115.9	234.4	274.5	393.4	470.5	582.9	617.2	682.0			
Yuan	257.6	339.1	361.7	428.8	450.2	366.5	180.6	524.5	279.0	229.0	248.0	260.1	345.0			
<b>Exchange Rates (End of period) - Namibia Dollar per foreign currency</b>																
Euro	12.3767	12.3049	11.7199	13.1351	12.5890	10.8811	10.9748	10.5811	9.8714	9.3411	9.4860	8.8308	9.6254			
US Dollar	7.9799	7.8196	8.3324	9.4130	9.5175	7.7450	7.5093	7.3380	7.3553	7.6488	6.9491	6.6150	6.7950			
Pound	15.9805	15.5665	14.8329	13.7202	13.6088	12.7494	12.0800	11.9237	11.0763	11.5125	11.0573	10.2235	10.9499			
Rand	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000			
Franc	7.8766	7.6597	7.4278	8.8058	8.3239	7.1388	7.2456	7.1318	6.9842	7.0671	7.1250	7.0721	7.4129			
Dinar	0.0328	0.0339	0.0320	2.6000	29.1730	28.7600	28.7300	28.7000	28.7600	28.7600	24.6065	24.0152	25.0000			
SDR	12.9822	12.7500	13.0800	15.0000	14.9507	12.4258	12.1431	12.1431	11.1762	11.2830	11.7868	10.1873	10.7341			
Yen	0.0791	0.0700	0.0785	0.1037	0.0958	0.0804	0.0837	0.0792	0.0789	0.0863	0.0837	0.0813	0.0854			
Yuan	1.1277	1.1409	1.2170	1.3793	1.3928	1.1339	1.1000	1.0809	1.0781	0.8849	0.9582	1.0050	1.3880			

Source: BoN and MoF

**Table III.4 (a) Government Domestic Loan Quarantees by Sector (N\$ million)**

Sectoral allocation	2007/08				2008/09				2009/10				2010/11				
	Q4	Q1	Q2	Q3	Q4												
Mining & Quarrying	190.0	190.0	190.0	13.3	13.3	13.3	13.3	13.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tourism	97.0	97.0	97.0	97.0	70.0	70.0	70.0	70.0	61.1	61.1	61.1	61.1	61.1	61.1	61.1	61.1	61.1
Agriculture	250.0	251.0	251.0	250.9	251.4	251.7	251.7	251.7	251.7	251.7	251.7	251.7	251.7	251.7	251.7	251.7	251.7
Finance	683.2	683.2	683.2	683.2	682.6	682.6	682.6	682.6	682.1	682.1	682.1	682.1	682.1	682.1	682.1	682.1	682.1
Transport	0.0	0.0	14.0	14.0	14.0	14.0	14.0	14.0	152.5	152.5	152.5	152.5	152.5	152.5	152.5	152.5	152.5
Communication	9.6	9.6	9.6	9.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fisheries	0.0	0.0	0.0	38.5	38.5	38.5	38.5	38.5	64.1	64.1	64.1	64.1	64.1	64.1	64.1	64.1	64.1
<b>Total domestic loan guarantees</b>	<b>1,229.8</b>	<b>1,230.8</b>	<b>1,244.8</b>	<b>1,106.5</b>	<b>1,069.8</b>	<b>1,070.0</b>	<b>1,070.0</b>	<b>1,095.6</b>	<b>1,211.4</b>	<b>1,211.4</b>	<b>1,211.4</b>	<b>1,081.4</b>	<b>1,081.4</b>	<b>1,081.4</b>	<b>1,081.4</b>	<b>1,081.4</b>	<b>1,081.4</b>
<b>Proportion of domestic guarantees by sector</b>																	
Mining & Quarrying	15.4	15.4	15.4	1.2	1.2	1.2	1.2	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tourism	7.9	7.9	7.9	8.8	6.5	6.5	6.5	6.4	5.0	5.0	5.0	5.0	5.6	5.6	5.6	5.6	5.6
Agriculture	20.3	20.4	20.2	22.7	23.5	23.5	23.5	23.0	20.8	20.8	20.8	20.8	23.3	23.3	23.3	23.3	23.3
Finance	55.6	55.5	54.9	61.7	63.8	63.8	63.8	62.3	56.3	56.3	56.3	56.3	30.7	30.7	30.7	30.7	30.7
Transport	0.0	0.0	1.1	1.3	1.3	1.3	1.3	1.3	12.6	12.6	12.6	12.6	34.4	34.4	34.4	34.4	34.4
Communication	0.8	0.8	0.8	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fisheries	0.0	0.0	0.0	3.5	3.6	3.6	3.6	5.9	5.3	5.3	5.3	5.9	5.9	5.9	5.9	5.9	5.9
<b>Total domestic loan guarantees</b>	<b>100.0</b>																

Source: MoF

**Table III.4 (b) Government Foreign Loan Guarantees by Sector and Currency (N\$ million)**

Sectoral allocation	2007/08				2008/09				2009/10				2010/11				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Energy</b>	<b>684.1</b>	<b>684.1</b>	<b>684.1</b>	<b>684.1</b>	<b>629.1</b>	<b>629.1</b>	<b>629.1</b>	<b>629.1</b>	<b>576.9</b>	<b>576.9</b>	<b>576.9</b>	<b>576.9</b>	<b>576.9</b>	<b>576.9</b>	<b>576.9</b>	<b>576.9</b>	<b>576.9</b>
NAD and ZAR	684.1	684.1	684.1	684.1	629.1	629.1	629.1	629.1	576.9	576.9	576.9	576.9	576.9	576.9	576.9	576.9	576.9
USD	0.0	0.0	0.0	0.0	0.0	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>Agriculture</b>	<b>224.8</b>	<b>224.8</b>	<b>224.8</b>	<b>218.0</b>	<b>216.2</b>	<b>216.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>						
NAD and ZAR	224.8	224.8	224.8	218.0	216.2	216.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
USD	0.0	0.0	0.0	0.0	0.0	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>Transport</b>	<b>1,222.7</b>	<b>1,177.9</b>	<b>1,251.8</b>	<b>1,045.3</b>	<b>1,042.7</b>	<b>857.5</b>	<b>832.9</b>	<b>819.4</b>	<b>811.4</b>	<b>840.2</b>	<b>768.9</b>	<b>734.0</b>	<b>756.1</b>				
NAD and ZAR	50.1	50.1	50.1	50.1	48.3	48.3	48.3	48.3	42.9	42.9	42.9	42.9	42.9	42.9	42.9	42.9	42.9
USD	1,172.5	1,127.7	1,201.7	995.2	994.4	809.2	784.6	771.1	768.5	797.4	726.1	691.2	713.2				
<b>Communication</b>	<b>52.0</b>	<b>52.0</b>	<b>52.0</b>	<b>52.0</b>	<b>71.0</b>	<b>71.0</b>	<b>71.0</b>	<b>71.0</b>	<b>35.3</b>	<b>35.3</b>	<b>35.3</b>	<b>35.3</b>	<b>35.3</b>	<b>35.3</b>	<b>35.3</b>	<b>35.3</b>	<b>35.3</b>
NAD and ZAR	52.0	52.0	52.0	52.0	71.0	71.0	71.0	71.0	35.3	35.3	35.3	35.3	35.3	35.3	35.3	35.3	35.3
USD	0.0	0.0	0.0	0.0	0.0	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>Total foreign loan guarantees</b>	<b>2,183.5</b>	<b>2,138.7</b>	<b>2,212.7</b>	<b>1,999.4</b>	<b>1,959.0</b>	<b>1,773.8</b>	<b>1,532.9</b>	<b>1,519.4</b>	<b>1,423.5</b>	<b>1,452.4</b>	<b>1,381.1</b>	<b>1,346.2</b>	<b>1,368.2</b>				
<b>Proportion of foreign loan guarantees by sector</b>																	
<b>Energy</b>	<b>31.3</b>	<b>32.0</b>	<b>30.9</b>	<b>34.2</b>	<b>32.1</b>	<b>35.5</b>	<b>41.0</b>	<b>41.4</b>	<b>40.5</b>	<b>39.7</b>	<b>41.8</b>	<b>42.9</b>	<b>42.2</b>				
NAD and ZAR	31.3	32.0	30.9	34.2	32.1	35.5	41.0	41.4	40.5	39.7	41.8	42.9	42.2				
USD	0.0	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>Agriculture</b>	<b>10.3</b>	<b>10.5</b>	<b>10.2</b>	<b>10.9</b>	<b>11.0</b>	<b>12.2</b>	<b>0.0</b>										
NAD and ZAR	10.3	10.5	10.2	10.9	11.0	12.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
USD	0.0	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>Transport</b>	<b>56.0</b>	<b>55.1</b>	<b>56.6</b>	<b>52.3</b>	<b>53.2</b>	<b>48.3</b>	<b>54.3</b>	<b>53.9</b>	<b>57.0</b>	<b>57.9</b>	<b>55.7</b>	<b>54.5</b>	<b>55.3</b>				
NAD and ZAR	2.3	2.3	2.3	2.5	2.5	2.7	3.2	3.2	3.0	3.0	3.1	3.2	3.1				
USD	53.7	52.7	54.3	49.8	50.8	45.6	51.2	50.7	54.0	54.9	52.6	51.3	52.1				
<b>Communication</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	<b>2.6</b>	<b>3.6</b>	<b>4.0</b>	<b>4.6</b>	<b>4.7</b>	<b>2.5</b>	<b>2.4</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>				
NAD and ZAR	2.4	2.4	2.4	2.6	3.6	4.0	4.6	4.7	2.5	2.4	2.6	2.6	2.6				
USD	0.0	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>Total</b>	<b>100.0</b>																
<b>Foreign loan guarantees per currency</b>																	
NAD and ZAR	1,011.0	1,011.0	1,011.0	1,004.2	964.6	964.6	748.3	748.3	655.0	655.0	655.0	655.0	655.0				
USD	1,172.5	1,127.7	1,201.7	995.2	994.4	809.2	784.6	771.1	768.5	797.4	726.1	691.2	713.2				
<b>Total foreign loan guarantees</b>	<b>2,183.5</b>	<b>2,138.7</b>	<b>2,212.7</b>	<b>1,999.4</b>	<b>1,959.0</b>	<b>1,773.8</b>	<b>1,532.9</b>	<b>1,519.4</b>	<b>1,423.5</b>	<b>1,452.4</b>	<b>1,381.1</b>	<b>1,346.2</b>	<b>1,368.2</b>				
<b>Currency composition of foreign loan guarantees</b>																	
NAD and ZAR	46.3	47.3	45.7	50.2	49.2	54.4	48.8	49.3	46.0	45.1	47.4	48.7	47.9				
USD	53.7	52.7	54.3	49.8	50.8	45.6	51.2	50.7	54.0	54.9	52.6	51.3	52.1				
<b>Total</b>	<b>100.0</b>																

Source: MoF

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

	2007				2008				2009(p)				2010(p)				2011(p)				
	Q1	Q2	Q3	Q4	2007	Q1	Q2	Q3	Q4	2008	Q1	Q2	Q3	Q4	2009	Q1	Q2	Q3	Q4	2010	
Merchandise trade balance	-374	445	116	-1,397	-1,210	-1,468	-1,184	-2,366	-415	-5,434	-1,896	-3,018	-3,269	-2,155	-10,338	-1,649	-1,267	-1,887	-970	-5,774	-1,833
Exports fob	4,834	5,576	5,066	5,094	20,571	5,313	6,194	5,241	9,606	26,355	6,903	5,554	6,580	7,239	26,276	6,998	6,913	7,678	8,512	30,101	7,858
Imports fob (p)	-5,208	-5,131	-4,951	-6,491	-21,780	-6,781	-7,378	-7,607	-10,022	-31,789	-8,799	-8,572	-9,849	-9,394	-36,614	-8,647	-8,179	-9,565	-9,483	-35,874	-9,692
Services (net)	188	119	134	166	607	51	-3	86	-480	-346	-116	230	401	85	601	18	366	372	324	1,081	422
Credit	1,173	1,010	978	1,056	4,217	1,028	1,102	1,113	1,329	4,572	1,265	1,356	1,545	1,280	5,446	1,235	1,507	1,691	1,792	6,225	1,821
Debit	-984	-891	-844	-890	-3,610	-976	-1,106	-1,028	-1,808	-4,918	-1,381	-1,126	-1,144	-1,194	-4,845	-1,217	-1,141	-1,319	-1,468	-5,144	-1,400
Compensation of employees (net)	-12	6	-7	-3	-16	-80	-142	-6	-14	-241	-3	-9	-3	-20	-34	-50	-25	-19	-45	-139	-43
Credit	17	17	17	17	67	17	17	17	17	67	17	17	17	17	67	17	17	17	17	67	17
Debit	-28	-11	-24	-20	-83	-96	-159	-22	-31	-308	-19	-25	-19	-36	-101	-66	-42	-36	-62	-206	-60
Investment income (net)	120	-163	-866	156	-753	-622	-333	542	-636	-1,049	-233	84	802	-110	543	-503	-583	-943	-1,248	-3,276	-337
Credit	439	701	511	561	2,212	616	569	1,068	869	3,122	651	794	1,093	553	3,091	222	470	756	486	1,934	558
Debit	-319	-865	-1,377	-405	-2,965	-1,237	-903	-526	-1,505	-4,171	-884	-710	-291	-663	-2,548	-725	-1,052	-1,699	-1,734	-5,210	-894
Current transfers in cash and kind (net)	1,845	1,996	1,595	1,620	7,056	1,702	2,549	2,547	2,484	9,282	2,666	2,674	2,656	2,622	10,618	2,655	1,841	2,692	1,834	9,022	1,866
Credit	1,941	2,094	1,688	1,697	7,421	1,839	2,655	2,652	2,617	9,762	2,813	2,825	2,808	2,800	11,245	2,834	1,991	2,838	1,995	9,659	2,027
Debit	-96	-99	-94	-77	-365	-137	-106	-105	-132	-480	-147	-151	-151	-178	-628	-179	-150	-146	-161	-636	-161
Current account balance	1,768	2,402	971	543	5,684	-416	886	803	939	2,212	417	-38	588	423	1,389	472	332	215	-105	914	75
Net capital transfers	143	150	134	158	586	167	152	153	158	629	141	138	139	140	558	140	139	139	390	808	590
Credit	144	151	135	159	590	167	153	154	158	633	158	156	157	157	628	157	157	157	407	878	607
Debit	-1	-1	-1	-1	-3	-1	-1	-1	-1	-3	-17	-17	-17	-70	-17	-17	-17	-17	-70	-17	
Direct investment	3,048	952	911	233	5,144	2,077	1,734	1,198	899	5,908	1,141	1,028	992	1,238	4,398	1,081	1,878	1,354	1,922	6,235	1,106
Abroad	-24	-7	1	10	-20	-64	-28	28	21	-42	3	-5	1	24	23	-65	59	-4	-19	-30	-20
In Namibia	3,072	960	910	222	5,164	2,141	1,762	1,170	878	5,950	1,138	1,033	991	1,214	4,376	1,146	1,819	1,359	1,942	6,266	1,126
Portfolio investment	-2,813	-3,085	-1,356	-3,118	-10,372	-1,701	-1,999	-2,297	-2,430	-8,427	-1,388	-590	-1,674	-1,332	-4,984	1,257	-3,486	-1,786	-1,214	-5,229	-994
Assets	-2,824	-3,097	-1,367	-3,129	-10,417	-1,711	-2,010	-2,308	-2,441	-8,470	-1,398	-602	-1,685	-1,343	-5,028	1,246	-3,497	-1,796	-1,224	-5,271	-1,004
Liabilities	12	12	11	11	44	11	11	11	11	42	10	11	11	44	10	10	10	10	42	10	
Other investment - long term	289	-948	-515	-49	-1,223	392	-181	1,133	791	2,135	595	-311	1,273	693	2,249	40	-152	228	-79	37	147
Assets	36	-23	-37	-17	-42	-9	-11	-18	-11	-48	-24	-32	-148	-298	-503	-430	-11	-16	18	-438	7
Liabilities	253	-924	-479	-31	-1,181	401	-170	1,151	801	2,183	619	-279	1,421	991	2,752	470	-142	244	-97	476	140
Other investment - short term	61	564	-891	1,479	1,213	-1,126	-201	-473	455	-1,344	-833	-558	-155	-2,246	-3,793	-3,176	1,357	-273	-893	-2,985	-1,302
Assets	149	418	-976	1,352	942	-1,066	-610	275	779	-621	-640	-511	-113	-1,395	-2,659	-3,167	1,324	-360	-804	-3,008	-1,110
Liabilities	-88	147	85	127	270	-60	409	-748	-324	-723	-193	-48	-42	-851	-1,134	-9	33	87	-89	22	-192
Capital and financial account excluding reserves	729	-2,366	-1,718	-1,297	-4,652	-191	-494	-286	-128	-1,099	-344	-293	574	-1,507	-1,571	-658	-265	-336	126	-1,134	-452
Net errors and omissions	168	-35	748	755	1,636	608	-390	-516	-810	-1,109	905	-28	166	230	1,274	-960	-554	-725	-1,323	-3,561	-692
OVERALL BALANCE	2,664	242	302	821	4,029	2,196	774	1,311	1,932	6,213	977	-361	1,327	-855	1,088	-1,147	-487	-847	-1,304	-3,785	-1,072
Reserve assets	-2,664	-242	-302	-821	-4,029	-2,196	-774	-1,311	-1,932	-6,213	-977	361	-1,327	855	-1,088	1,147	487	847	1,304	3,785	1,072

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**

	2007				2008				2009(p)				2010(p)				2011(p)				
	Q1	Q2	Q3	Q4	2007	Q1	Q2	Q3	Q4	2008	Q1	Q2	Q3	Q4	2009	Q1	Q2	Q3	Q4	2010	Q1
Services, net	188	119	134	166	607	51	-3	86	-480	-346	-116	230	401	85	601	18	366	372	324	1,081	422
Credit	1,173	1,010	978	1,056	4,217	1,028	1,102	1,113	1,329	4,572	1,265	1,356	1,545	1,280	5,446	1,235	1,507	1,691	1,792	6,225	1,821
Transportation	194	187	251	212	843	178	203	257	322	960	229	234	248	262	973	209	241	266	280	995	249
Travel	900	743	645	770	3,058	765	811	768	778	3,121	778	849	922	825	3,374	671	802	912	821	3,206	758
Insurance	7	15	8	6	36	5	8	7	6	26	7	7	7	3	24	19	14	0	9	42	12
Communication	26	26	26	26	105	26	26	26	26	105	26	26	26	26	105	26	26	26	26	105	26
Construction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial	0	0	0	0	0	0	0	0	0	154	154	5	6	8	3	21	5	5	5	21	5
Computer and information	3	0	4	2	9	0	0	0	1	1	0	0	8	2	11	3	3	2	2	9	1
Royalties and license Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative and business	0	0	1	3	4	1	4	5	0	10	0	1	0	1	2	0	0	0	0	0	0
Professional and technical	1	0	7	1	10	15	2	1	3	22	1	3	1	1	6	1	25	3	7	35	9
Others, not included elsewhere	7	5	2	2	15	4	13	16	5	38	184	197	290	122	795	266	357	443	607	1,674	728
Government	34	34	34	34	136	34	34	34	136	34	34	34	34	136	34	34	34	34	136	34	34
Debit	-984	-891	-844	-890	-3,610	-976	-1,106	-1,028	-1,808	-4,918	-1,381	-1,126	-1,144	-1,194	-4,845	-1,217	-1,141	-1,319	-1,468	-5,144	-1,400
Transportation	-425	-422	-396	-452	-1,696	-493	-522	-484	-434	-1,933	-388	-326	-447	-480	-1,640	-390	-342	-448	-449	-1,629	-455
Travel	-269	-227	-201	-234	-931	-233	-239	-227	-233	-933	-233	-250	-269	-245	-997	-204	-238	-267	-343	-1,052	-326
Insurance	-39	-54	-44	-44	-182	-36	-27	-23	-24	-110	-43	-22	-47	-30	-142	-29	-57	-97	-56	-240	-84
Communication	-0	-0	-0	-0	-0	-2	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	0	-1	0
Construction	-38	-12	-6	-7	-64	-4	-96	-25	-76	-201	-442	-244	-31	-113	-830	-104	-78	-85	-118	-385	-161
Financial	-6	-12	-12	-4	-35	-6	-13	-6	-15	-41	-2	-2	-2	-2	-8	-56	-13	-9	-32	-109	-4
Computer and information	-32	-26	-29	-22	-110	-32	-41	-47	-35	-155	-43	-57	-91	-58	-249	-48	-63	-70	-49	-230	-60
Royalties and license Fees	-7	-4	-1	-2	-14	-8	-13	-8	-113	-143	-8	-8	-10	-20	-47	-20	-15	-9	-12	-56	-16
Administrative and business	-52	-88	-54	-20	-214	-64	-71	-44	-115	-293	-46	-43	-65	-54	-208	-56	-70	-63	-45	-235	-47
Professional and technical	-86	-17	-48	-69	-221	-66	-48	-109	-147	-371	-101	-73	-92	-115	-380	-213	-195	-108	-233	-750	-140
Others, not included elsewhere	-14	-13	-37	-19	-83	-20	-20	-39	-599	-677	-60	-86	-75	-62	-283	-81	-53	-147	-116	-398	-93
Government	-15	-15	-15	-15	-59	-15	-15	-15	-59	-15	-15	-15	-15	-59	-15	-15	-15	-15	-59	-15	

(p) Provisional

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

	2007					2008					2009(p)					2010(p)					2011(p)
	Q1	Q2	Q3	Q4	2007	Q1	Q2	Q3	Q4	2008	Q1	Q2	Q3	Q4	2009	Q1	Q2	Q3	Q4	2010	Q1
Compensation of employees, net	-12	6	-7	-3	-16	-80	-142	-6	-14	-241	-3	-9	-3	-20	-34	-50	-25	-19	-45	-139	-43
Credit	17	17	17	17	67	17	17	17	17	67	17	17	17	17	67	17	17	17	17	67	17
Debit	-28	-11	-24	-20	-83	-96	-159	-22	-31	-308	-19	-25	-19	-36	-101	-66	-42	-36	-62	-206	-60
<b>Investment income, net</b>	<b>120</b>	<b>-163</b>	<b>-866</b>	<b>156</b>	<b>-753</b>	<b>-622</b>	<b>-333</b>	<b>542</b>	<b>-636</b>	<b>-1,049</b>	<b>-233</b>	<b>84</b>	<b>802</b>	<b>-110</b>	<b>543</b>	<b>-503</b>	<b>-583</b>	<b>-943</b>	<b>-1,248</b>	<b>-3,276</b>	<b>-337</b>
Credits	439	701	511	561	2,212	616	569	1,068	869	3,122	651	794	1,093	553	3,091	222	470	756	486	1,934	558
Direct investment	2	7	7	-9	6	19	12	7	7	45	4	-0	6	-7	2	27	-19	10	1	18	1
Portfolio investment	255	497	305	375	1,432	378	317	471	507	1,673	385	398	406	295	1,484	45	221	497	289	1,053	362
Other investment	182	198	199	196	775	218	240	591	355	1,404	263	396	681	266	1,605	150	267	249	196	862	195
Debit	-319	-865	-1,377	-405	-2,965	-1,237	-903	-526	-1,505	-4,171	-884	-710	-291	-663	-2,548	-725	-1,052	-1,699	-1,734	-5,210	-894
Direct investment	-226	-774	-1300	-311	-2,612	-1137	-825	-428	-1406	-3,796	-779	-617	-152	-595	-2,143	-636	-991	-1598	-1669	-4,894	-793
Portfolio investment	-43	-42	-42	-42	-170	-43	-42	-42	-42	-170	-42	-42	-42	-42	-170	-42	-42	-42	-42	-170	-42
Other investment	-50	-48	-35	-51	-184	-58	-35	-55	-57	-206	-63	-51	-96	-25	-235	-47	-18	-59	-22	-146	-59

(p) Provisional

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

	2007					2008					2009(p)					2010(p)					2011(p)
	Q1	Q2	Q3	Q4	2007	Q1	Q2	Q3	Q4	2008	Q1	Q2	Q3	Q4	2009	Q1	Q2	Q3	Q4	2010	
Current transfers, net	1,845	1,996	1,595	1,620	7,056	1,702	2,549	2,547	2,484	9,282	2,666	2,674	2,656	2,622	10,618	2,655	1,841	2,692	1,834	9,022	1,866
Credits	1,941	2,094	1,688	1,697	7,421	1,839	2,655	2,652	2,617	9,762	2,813	2,825	2,808	2,800	11,245	2,834	1,991	2,838	1,995	9,659	2,027
Government	1,896	2,059	1,655	1,649	7,260	1,793	2,607	2,619	2,575	9,594	2,764	2,781	2,769	2,764	11,078	2,796	1,957	2,803	1,957	9,513	1,991
Grants from foreign governments, etc	80	56	59	75	269	71	427	427	427	1,352	427	591	591	591	2,199	591	591	591	591	2,363	650
SACU receipts	1,674	1,991	1,543	1,543	6,752	1,543	2,126	2,126	2,126	7,920	2,126	2,146	2,146	2,146	8,564	2,146	1,287	2,140	1,287	6,861	1,287
Withholding Taxes	26	12	52	31	122	46	54	66	23	189	66	44	32	27	168	23	43	36	40	143	14
Other transfers received	117	0	0	0	117	133	0	0	0	133	146	0	0	0	146	36	36	36	39	147	39
Private	45	35	34	48	161	46	48	33	41	168	49	44	39	36	168	38	35	35	38	145	37
Grants received by NGO's	14	5	3	18	40	16	18	3	11	47	18	14	9	5	46	7	4	5	7	24	7
Other transfers received	30	30	30	30	121	30	30	30	30	121	30	30	30	30	121	30	30	30	30	121	30
<b>Debit</b>	<b>-96</b>	<b>-99</b>	<b>-94</b>	<b>-77</b>	<b>-365</b>	<b>-137</b>	<b>-106</b>	<b>-105</b>	<b>-132</b>	<b>-480</b>	<b>-147</b>	<b>-151</b>	<b>-151</b>	<b>-178</b>	<b>-628</b>	<b>-179</b>	<b>-150</b>	<b>-146</b>	<b>-161</b>	<b>-636</b>	<b>-161</b>
Government	-89	-92	-87	-70	-338	-130	-99	-98	-126	-453	-140	-144	-145	-172	-601	-172	-143	-139	-154	-609	-154
Grants to foreign governments, etc	-5	-5	-4	-4	-19	-4	-4	-4	-4	-17	-4	-4	-4	-4	-17	-4	-4	-4	-4	-17	-4
SACU payments	-84	-87	-83	-66	-320	-126	-95	-94	-121	-436	-136	-140	-140	-167	-584	-168	-139	-135	-150	-592	-150
Withholding Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other transfers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Private	-7	-7	-7	-7	-27	-7	-7	-7	-7	-27	-7	-7	-7	-7	-27	-7	-7	-7	-7	-27	-7
Grants received by NGO's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other transfers received	-7	-7	-7	-7	-27	-7	-7	-7	-7	-27	-7	-7	-7	-7	-27	-7	-7	-7	-7	-27	-7
<b>Capital Transfers, net</b>	<b>143</b>	<b>150</b>	<b>134</b>	<b>158</b>	<b>586</b>	<b>167</b>	<b>152</b>	<b>153</b>	<b>158</b>	<b>629</b>	<b>141</b>	<b>138</b>	<b>139</b>	<b>140</b>	<b>558</b>	<b>140</b>	<b>139</b>	<b>139</b>	<b>390</b>	<b>808</b>	<b>590</b>
<b>Credit</b>	<b>144</b>	<b>151</b>	<b>135</b>	<b>159</b>	<b>590</b>	<b>167</b>	<b>153</b>	<b>154</b>	<b>158</b>	<b>633</b>	<b>158</b>	<b>156</b>	<b>157</b>	<b>157</b>	<b>628</b>	<b>157</b>	<b>157</b>	<b>157</b>	<b>407</b>	<b>878</b>	<b>607</b>
Government	138	145	129	153	564	161	147	147	152	607	152	149	150	151	602	151	150	150	401	852	601
Private	6	6	6	6	26	6	6	6	6	26	6	6	6	6	26	6	6	6	6	26	6
<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>	<b>-17</b>	<b>-17</b>	<b>-17</b>	<b>-17</b>	<b>-70</b>	<b>-17</b>	<b>-17</b>	<b>-17</b>	<b>-17</b>	<b>-70</b>	<b>-17</b>
Government	0	0	0	0	0	0	0	0	0	0	-17	-17	-17	-17	-66	-17	-17	-17	-17	-66	-17
Private	-1	-1	-1	-1	-3	-1	-1	-1	-1	-3	-1	-1	-1	-1	-3	-1	-1	-1	-1	-3	-1

(p) Provisional

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

	2007					2008					2009(p)					2010(p)					2011(p)
	Q1	Q2	Q3	Q4	2007	Q1	Q2	Q3	Q4	2008	Q1	Q2	Q3	Q4	2009	Q1	Q2	Q3	Q4	2010	
<b>Direct investment abroad</b>	<b>-24</b>	<b>-7</b>	<b>1</b>	<b>10</b>	<b>-20</b>	<b>-64</b>	<b>-28</b>	<b>28</b>	<b>21</b>	<b>-42</b>	<b>3</b>	<b>-5</b>	<b>1</b>	<b>24</b>	<b>23</b>	<b>-65</b>	<b>59</b>	<b>-4</b>	<b>-19</b>	<b>-30</b>	<b>-20</b>
Equity capital	-22	0	0	1	-20	0	-0	2	1	2	1	1	-2	1	0	4	4	-6	-21	-19	-21
Reinvested earnings	1	-4	-4	10	3	-12	-6	-2	0	-20	4	2	-4	8	10	-26	26	-9	0	-9	0
Other capital	-3	-4	4	-0	-3	-52	-21	29	20	-24	-1	-9	7	15	12	-43	29	10	1	-3	1
<b>Direct investment in Namibia</b>	<b>3,072</b>	<b>960</b>	<b>910</b>	<b>222</b>	<b>5,164</b>	<b>2,141</b>	<b>1,762</b>	<b>1,170</b>	<b>878</b>	<b>5,950</b>	<b>1,138</b>	<b>1,033</b>	<b>991</b>	<b>1,214</b>	<b>4,376</b>	<b>1,146</b>	<b>1,819</b>	<b>1,359</b>	<b>1,942</b>	<b>6,266</b>	<b>1,126</b>
Equity capital	2,995	158	711	88	3,952	993	1,388	144	98	2,623	109	38	113	15	275	29	-31	-2	70	66	50
Reinvested earnings	-59	626	753	-2	1,318	676	300	-234	373	1,115	391	377	33	526	1,327	618	805	1,251	1,281	3,955	629
Other capital	136	175	-554	136	-106	473	73	1,261	406	2,213	637	618	845	674	2,774	499	1,045	110	590	2,244	447

(p) Provisional

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

	2007					2008					2009(p)					2010(p)					2011(p)
	Q1	Q2	Q3	Q4	2007	Q1	Q2	Q3	Q4	2008	Q1	Q2	Q3	Q4	2009	Q1	Q2	Q3	Q4	2010	
Portfolio investment, net	-2,813	-3,085	-1,356	-3,118	-10,372	-1,701	-1,999	-2,297	-2,430	-8,427	-1,388	-590	-1,674	-1,332	-4,984	1,257	-3,486	-1,786	-1,214	-5,229	-994
Equity	-2,050	-2,302	-1,274	-2,828	-8,453	-1,507	-1,354	-1,434	-1,931	-6,226	-1,499	-1,401	-880	-756	-4,536	378	-1,700	-895	-686	-2,903	-490
Assets	-2,058	-2,310	-1,282	-2,836	-8,485	-1,515	-1,362	-1,442	-1,939	-6,258	-1,506	-1,409	-887	-764	-4,567	370	-1,708	-902	-693	-2,934	-497
Liabilities	8	8	8	8	32	8	8	8	8	32	8	8	8	8	31	8	8	8	8	31	8
Debt	-763	-783	-82	-291	-1,919	-194	-645	-863	-499	-2,201	111	811	-795	-576	-448	879	-1,786	-891	-528	-2,326	-504
Assets	-766	-787	-85	-293	-1,931	-196	-647	-866	-502	-2,211	108	808	-797	-579	-461	876	-1,789	-894	-531	-2,337	-507
Liabilities	4	4	3	3	12	3	3	3	3	10	3	4	3	4	13	3	3	3	3	10	3

(p) Provisional

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

	2007					2008					2009(p)					2010(p)					2011(p)	
	Q1	Q2	Q3	Q4	2007	Q1	Q2	Q3	Q4	2008	Q1	Q2	Q3	Q4	2009	Q1	Q2	Q3	Q4	2010		
Long-term, net	289	-948	-515	-49	-1,223	392	-181	1,133	791	2,135	595	-311	1,273	693	2,249	40	-152	228	-79	37	147	
General Government	33	-5	-21	1	8	-46	-51	125	-21	8	-31	-11	-292	234	-99	216	-64	13	-38	128	-17	
Assets	-10	-10	-10	-10	-40	-10	-10	-10	-10	-40	-10	-10	-10	-10	-40	-10	-10	-10	-10	-40	-10	
Liabilities	43	5	-11	11	48	-36	-41	135	-11	47	-21	-1	-282	244	-59	226	-54	23	-28	168	-7	
Of which: drawings	73	36	15	59	183	0	4	163	29	196	15	25	183	298	521	329	0	51	0	381	34	
repayments	-30	-32	-26	-47	-135	-36	-45	-28	-40	-149	-36	-26	-465	-54	-580	-103	-54	-28	-28	-213	-41	
Monetary Authorities	0	0	0	0	0	0	0	0	0	0	-5	-16	1,493	93	1,565	-2	-46	-3	-3	-54	-8	
Assets	0	0	0	0	0	0	0	0	0	0	-5	-16	5	97	80	0	0	0	0	0	0	
Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	1,488	-4	1,484	-2	-46	-3	-3	-54	-8
Banks	1	1	-2	-14	-14	1	-139	-9	126	-22	-5	-4	-140	-845	-994	-408	3	-5	-19	-428	-0	
Assets	2	2	-3	2	3	1	-1	-10	-5	-15	-4	-3	-140	-376	-523	-411	4	-4	-19	-430	-0	
Liabilities	-1	-1	1	-16	-17	0	-139	1	131	-6	-1	-1	0	-469	-471	3	-1	-1	0	1	0	
Other sectors	255	-944	-493	-36	-1,218	437	9	1,017	686	2,149	636	-279	211	1,210	1,777	234	-45	223	-19	392	171	
Assets	44	-15	-24	-10	-5	-0	0	3	4	7	-5	-2	-4	-9	-20	-9	-5	-2	47	31	17	
Liabilities	211	-928	-468	-26	-1,212	437	9	1,014	682	2,142	641	-277	214	1,219	1,798	243	-40	225	-66	361	155	
Short-term, net	61	564	-891	1,479	1,213	-1,126	-201	-473	455	-1,344	-833	-558	-155	-2,246	-3,793	-3,176	1,357	-273	-893	-2,985	-1,302	
General Government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Banks	69	605	-970	1,510	1,213	-1,261	326	-37	935	-37	-771	-497	54	-2,163	-3,378	-2,168	184	-1,833	580	-3,236	-2,262	
Assets	130	592	-856	1,418	1,284	-1,224	-34	380	749	-129	-705	-588	-35	-1,377	-2,705	-2,367	78	-1,999	689	-3,599	-2,180	
Liabilities	-62	12	-114	92	-71	-37	360	-417	185	92	-66	91	88	-786	-673	199	106	166	-109	362	-82	
Other sectors	-8	-40	79	-31	-0	135	-527	-435	-479	-1,307	-62	-61	-209	-83	-415	-1,008	1,173	1,560	-1,473	251	960	
Assets	18	-175	-120	-65	-342	158	-576	-104	30	-492	65	78	-79	-18	46	-800	1,246	1,639	-1,493	591	1,070	
Liabilities	-26	134	199	35	342	-24	49	-331	-509	-815	-127	-139	-130	-65	-461	-208	-73	-79	20	-340	-110	

(p) Provisional

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

(p) Provisional, except for the reserve assets.

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

)) Provisional.

**Table IV.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>2007</b>	Jan	0.139	0.071	0.107	16.750	0.173	0.107	0.107
	Feb	0.139	0.071	0.107	16.807	0.173	0.107	0.107
	Mar	0.136	0.070	0.103	15.949	0.166	0.103	0.103
	Apr	0.140	0.071	0.104	16.667	0.170	0.104	0.104
	May	0.142	0.072	0.105	17.212	0.174	0.105	0.105
	Jun	0.139	0.070	0.104	17.094	0.172	0.104	0.104
	July	0.143	0.071	0.105	17.422	0.173	0.105	0.105
	Aug	0.138	0.069	0.102	16.129	0.166	0.102	0.102
	Sep	0.140	0.070	0.101	16.129	0.166	0.101	0.101
	Oct	0.148	0.072	0.104	17.094	0.173	0.104	0.104
	Nov	0.149	0.072	0.102	16.584	0.168	0.102	0.102
	Dec	0.146	0.072	0.101	16.420	0.167	0.101	0.101
<b>2008</b>	Jan	0.143	0.073	0.097	15.456	0.158	0.097	0.097
	Feb	0.131	0.067	0.089	14.025	0.143	0.089	0.089
	Mar	0.125	0.063	0.081	12.642	0.127	0.081	0.081
	Apr	0.128	0.065	0.081	13.141	0.130	0.081	0.081
	May	0.131	0.067	0.084	13.661	0.137	0.084	0.084
	Jun	0.126	0.064	0.081	13.477	0.131	0.081	0.081
	Jul	0.131	0.066	0.083	13.966	0.134	0.083	0.083
	Aug	0.131	0.069	0.087	14.265	0.141	0.087	0.087
	Sep	0.124	0.069	0.087	13.263	0.138	0.087	0.087
	Oct	0.103	0.061	0.077	10.373	0.118	0.077	0.077
	Nov	0.099	0.064	0.078	9.579	0.118	0.078	0.078
	Dec	0.101	0.068	0.075	9.166	0.115	0.075	0.075
<b>2009</b>	Jan	0.101	0.070	0.076	9.132	0.114	0.076	0.076
	Feb	0.100	0.069	0.078	9.234	0.116	0.078	0.078
	Mar	0.100	0.070	0.077	9.775	0.116	0.077	0.077
	Apr	0.111	0.075	0.084	10.953	0.127	0.084	0.084
	May	0.119	0.077	0.088	11.547	0.132	0.088	0.088
	Jun	0.124	0.076	0.089	11.990	0.134	0.089	0.089
	Jul	0.126	0.077	0.089	11.891	0.136	0.089	0.089
	Aug	0.126	0.076	0.088	11.933	0.135	0.088	0.088
	Sep	0.133	0.081	0.091	12.151	0.138	0.091	0.091
	Oct	0.134	0.083	0.090	12.063	0.137	0.090	0.090
	Nov	0.133	0.080	0.089	11.848	0.135	0.089	0.089
	Dec	0.134	0.082	0.091	11.976	0.137	0.091	0.091
<b>2010</b>	Jan	0.134	0.083	0.094	12.255	0.139	0.094	0.094
	Feb	0.129	0.083	0.095	11.779	0.140	0.095	0.095
	Mar	0.135	0.089	0.099	12.195	0.144	0.099	0.099
	Apr	0.136	0.089	0.102	12.706	0.145	0.102	0.102
	May	0.131	0.089	0.104	12.077	0.148	0.104	0.104
	Jun	0.131	0.089	0.107	11.876	0.147	0.107	0.107
	Jul	0.133	0.087	0.104	11.614	0.140	0.104	0.104
	Aug	0.137	0.088	0.106	11.710	0.143	0.106	0.106
	Sep	0.140	0.090	0.107	11.820	0.141	0.107	0.107
	Oct	0.145	0.091	0.104	11.820	0.140	0.104	0.104
	Nov	0.143	0.090	0.105	11.820	0.141	0.105	0.105
	Dec	0.146	0.094	0.111	12.195	0.142	0.111	0.111
<b>2011</b>	Jan	0.145	0.092	0.109	11.962	0.139	0.109	0.109
	Feb	0.139	0.086	0.102	11.481	0.132	0.102	0.102
	Mar	0.145	0.090	0.103	11.834	0.133	0.103	0.103

**Table IV.J Effective exchange rate indices**

		Nominal effective exchange rate indices			Real effective exchange rate indices			
		Import Trade Weighted	Export Trade Weighted	Total Trade Weighted	Import Trade Weighted	Export Trade Weighted	Total Trade Weighted	
2007	Jan	98.9	60.0	93.0		115.9	67.3	90.6
	Feb	98.9	60.1	93.0		116.2	67.4	90.9
	Mar	98.7	59.2	92.4		116.1	66.3	90.1
	Apr	98.8	59.7	92.8		116.3	67.0	90.2
	May	98.9	60.4	93.3		116.7	67.9	90.7
	Jun	98.8	59.6	92.7		116.2	67.0	89.9
	July	98.9	59.8	92.9		117.0	67.8	89.9
	Aug	98.7	58.7	92.1		117.6	66.7	89.2
	Sep	98.7	59.0	92.3		118.1	67.2	89.3
	Oct	98.9	60.4	93.4		118.1	68.7	90.1
	Nov	98.9	60.1	93.2		118.7	68.6	90.0
	Dec	98.8	60.1	93.2		117.8	68.5	89.8
2008	Jan	98.7	59.8	93.0		127.0	69.2	89.8
	Feb	98.2	56.5	90.6		126.0	65.2	87.5
	Mar	97.7	54.0	88.8		122.5	61.6	84.7
	Apr	97.9	55.1	89.7		127.9	64.1	86.3
	May	98.1	56.2	90.5		128.1	65.4	86.9
	Jun	97.9	54.9	89.5		128.2	64.0	85.9
	Jul	98.0	53.3	90.2		131.0	63.1	86.5
	Aug	98.2	57.2	91.4		132.1	67.7	87.6
	Sep	98.1	56.7	91.1		132.8	67.1	87.6
	Oct	97.2	51.4	87.5		132.8	61.2	84.2
	Nov	97.2	53.7	88.3		134.5	64.3	85.2
	Dec	97.1	54.5	89.0		134.6	65.4	86.2
2009	Jan	97.2	55.5	89.7		140.9	68.3	88.0
	Feb	97.3	55.5	89.7		139.5	67.9	87.5
	Mar	97.3	55.9	90.1		139.8	68.5	87.5
	Apr	97.8	58.7	92.1		141.4	72.1	89.5
	May	98.1	59.9	93.0		142.3	73.5	90.4
	Jun	98.2	59.5	92.7		142.6	73.1	90.2
	Jul	98.2	59.9	93.0		143.6	74.0	90.3
	Aug	98.2	59.6	92.8		145.2	74.0	90.5
	Sep	98.5	61.7	94.4		145.2	76.5	91.7
	Oct	98.5	62.0	94.6		146.2	77.1	92.2
	Nov	98.4	61.0	93.9		146.5	75.8	91.6
	Dec	98.5	61.9	94.5		144.9	76.5	92.0
2010	Jan	98.6	62.5	94.9		149.7	78.4	93.1
	Feb	98.5	62.6	94.9		149.3	78.5	93.0
	Mar	98.8	65.1	96.6		148.2	81.1	94.2
	Apr	98.9	65.1	96.7		147.6	80.8	94.1
	May	98.8	65.3	96.7		147.5	80.9	94.0
	Jun	98.9	65.2	96.5		147.5	80.8	94.0
	Jul	98.8	64.2	95.9		149.8	80.5	93.7
	Aug	98.9	64.7	96.2		149.0	80.6	93.9
	Sep	99.0	65.7	96.9		149.3	81.8	94.5
	Oct	99.0	65.8	97.1		148.7	81.8	94.6
	Nov	99.0	65.4	96.8		149.1	81.3	94.3
	Dec	99.2	67.3	98.0		146.5	82.7	95.1
2011	Jan	99.1	66.4	97.5		151.4	83.0	95.5
	Feb	98.8	63.9	95.7		149.1	79.3	93.4
	Mar	99.0	65.3	96.7		149.4	81.1	94.1

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

			U\$ Per metric tonne		US\$ per ounce	US\$ per Pound
		Copper	Lead	Zinc	Gold	Uranium
2007	Jan	5,689.3	1,664.3	3,784.9	631.2	72.0
	Feb	5,718.2	1,775.1	3,321.4	664.7	76.3
	Mar	6,465.3	1,909.0	3,256.2	654.9	89.4
	Apr	7,753.3	1,984.2	3,566.9	679.4	110.4
	May	7,677.9	2,106.0	3,847.5	666.9	119.1
	Jun	7,514.2	2,436.6	3,628.7	655.5	136.2
	Jul	7,980.9	3,072.4	3,546.3	665.3	131.5
	Aug	7500.2	3,115.2	3,244.2	665.4	109.6
	Sep	7671.4	3,228.0	2,887.6	712.7	85.00
	Oct	8,020.6	3,722.6	2,980.0	754.6	77.5
	Nov	6,957.4	3,319.9	2,554.6	806.2	92.0
	Dec	6,630.7	2,616.1	2,378.6	803.2	91.8
2008	Jan	7,078.9	2,621.8	2,364.4	889.6	87.6
	Feb	7,941.1	3,089.6	2,458.5	922.3	76.0
	Mar	8,434.3	3,012.9	2,511.2	968.4	73.7
	Apr	8,714.2	2,834.9	2,278.5	909.7	69.4
	May	8,356.1	2,216.1	2,178.3	890.5	61.7
	Jun	8,292.0	1,860.5	1,906.2	890.5	59.0
	Jul	8,407.0	1,960.0	1,856.5	940.5	61.8
	Aug	7,633.8	1,902.9	1,734.7	838.3	64.5
	Sep	6,975.1	1,872.3	1,744.5	829.9	63.0
	Oct	4,894.9	1,494.3	1,303.0	806.6	48.6
	Nov	3,729.2	1,286.4	1,169.4	760.9	50.5
	Dec	3,105.1	968.2	1,112.9	822.0	54.3
2009	Jan	3,260.4	1,144.9	1,202.5	859.2	51.4
	Feb	3,328.4	1,099.6	1,118.0	943.2	47.0
	Mar	3,770.9	1,246.5	1,223.2	924.3	43.4
	Apr	4,436.9	1,393.9	1,388.1	889.5	41.7
	May	4,594.9	1,449.7	1,491.9	930.2	48.6
	Jun	5,013.3	1,668.2	1,555.5	945.7	51.5
	Jul	5,240.8	1,674.5	1,582.9	934.2	49.7
	Aug	6,176.9	1,893.0	1,818.0	949.7	47.2
	Sep	6,195.8	2,205.5	1,879.1	996.6	44.3
	Oct	6,306.0	2,227.7	2,070.8	1043.2	46.1
	Nov	6,682.4	2,303.4	2,196.5	1127.0	44.8
	Dec	6,977.0	2,326.3	2,374.0	1126.2	44.4
2010	Jan	7,367.4	2,352.2	2,414.7	1116.5	43.8
	Feb	6,867.7	2,125.8	2,158.8	1095.4	42.0
	Mar	7,466.9	2,162.7	2,277.3	1113.3	40.9
	Apr	6,843.2	2,272.2	2,367.5	1148.7	41.3
	May	6,501.5	1,876.8	1,969.8	1205.4	41.3
	Jun	6,750.6	1,707.3	1,746.5	1232.9	40.8
	Jul	6,750.6	1,844.0	1,847.0	1193.0	41.9
	Aug	7,302.7	2,082.8	2,047.5	1216.7	46.1
	Sep	7,729.6	2,192.9	2,151.0	1271.0	46.7
	Oct	8,289.8	2,383.6	2,373.6	1,342.0	48.8
	Nov	8,458.4	2,365.0	2,283.3	1,369.9	57.2
	Dec	9,152.9	2,413.2	2,287.3	1,390.6	60.7
2011	Jan	9,533.2	2,584.0	2,375.8	1,356.4	63.9
	Feb	9,880.9	2,595.6	2,473.5	1,372.7	65.0
	Mar	9,503.4	2,624.0	2,341.5	1,424.0	63.5

Source: IMF and London Gold Price

**Table IV.L Selected mineral export volumes**

		Diamonds Carat '000	Gold Kg	Copper Tonnes	Silver Kg	Zinc Tonnes
<b>2007</b>	Q1	443	696	5,597	2,129	29,849
	Q2	775	322	4,419	1,094	24,672
	Q3	470	752	5,299	1,779	21,850
	Q4	577	870	5,101	1,833	20,951
<b>2008</b>	Q1	480	720	3,915	1,675	23,743
	Q2	582	785	3,942	1,793	21,540
	Q3	263	676	4,044	1,778	19,503
	Q4	286	1,009	4,417	2,045	21,499
<b>2009</b>	Q1	82	573	4,820	67	69,210
	Q2	628	382	4,727	-	68,618
	Q3	399	491	6,230	-	38,431
	Q4	255	538	5,211	-	53,878
<b>2010</b>	Q1	239	517	4,848	-	60,261
	Q2	299	618	4,627	-	62,370
	Q3	491	746	5,942	-	62,877
	Q4	493	811	7,615	-	49,908
<b>2011</b>	Q1	260	558	7,990	-	49,908

Source: IMF and London Gold Price

## BANK OF NAMIBIA PUBLICATIONS

### 1. Regular Publications

Title	Frequency
Financial Stability Review	Bi-annually
Quarterly Bulletin	Quarterly
Annual Report	Annually

### 2. OCCASIONAL PAPERS OF THE BANK OF NAMIBIA –OP

Title	Authors	No and Year
Modeling Inflation in Namibia	Mihe Gaomab II	OP/1998
Estimating the Demand for Money in Namibia	Silvanus Ikhide and Kava Katjomuise	OP 01/1999
Savings and Investment in Namibia	Ipumbu Shiimi and Gerson Kadzikwa	OP 02/1999
Efficiency of Commercial Banks in Namibia	Silvanus Ikhide	OP 01/2000
Potential for Diversifying Namibia's Non- Mineral Exports	Bernie Zaaruka and Heinrich Namakalu	OP 01/2002
The Structure and Nature of Savings in Namibia	Ebson Uanguta, Emma Haiyambo, Gerson Kadzikwa and Chimana Simana	OP 01/2004
Viability of Commercial Bank branches in rural communities in Namibia	Esau Kaakunga, Bernie Zaaruka, Erna Motinga and John Steytler	OP 02/2004
Namibia Macro-econometric Model	Tjiveze Tjipe, Hannah Nielsen and Ebson Uanguta	OP 01/2005
Private Equity: Lessons for Namibia	Bernie Zaaruka, Ebson Uanguta and Gerson Kadzikwa	OP 02/2005
Property Rights and Access to Credit	Esau Kaakunga and Vitalis Ndalikokule	OP 01/2006
How can Namibia Benefits further from AGOA	Vitalis Ndalikokule, Esau Kaakunga and Ben Biwa	OP 02/2006
Assessing the potential of the Manufacturing sector in Namibia	Gerson Kadzikwa and Vitalis Ndalikokule	OP 01/2007
Unleashing the Potential of the Agricultural Sector in Namibia	Postrick Mushendami, Ben Biwa and Mihe Gaomab II	OP 01-2008
The Viability of Export Credit Guarantee and Insurance Scheme	Bernie Zaaruka, Ebson Uanguta and Postrick Mushendami	OP 02-2008
Enhancing the role of factoring and leasing companies in providing working capital to Small and Medium Enterprises (SMEs) in Namibia	Florette Nakusera, Gerson Kadzikwa and Postrick Mushendami	OP 03-2008
Investigating the role securitisation could play in deepening the financial sector in Namibia	Postrick Mushendami and Kennedy Kandume	OP 04-2008

### 3. BANK OF NAMIBIA ANNUAL SYMPOSIUM

Theme	Speakers	Year
Central banking issues and economic development		1999
The challenges of monetary policy within the context of the Common Monetary Area (CMA) arrangement	Dr.K.Jefferis – Deputy Governor, Bank of Botswana ; Mr. Steven Xu- Hong Kong and Mr. Brian Kahn -SARB	2000
Optimal Financial Structure for Namibia	Dr. Norman Loayza -World Bank; Dr.Tekaligne Godana - Nepru and Dr. Jaafar bin Ahmad – Air Namibia	2001
Raising investment and growth in Namibia	Dr. Carolyn Jenkins, Oxford University, Dr. Patrick Asea, UNECA and Dr. Meschack Tjirongo, IMF	2002
Poverty, Income Inequality, and Economic Development in Namibia	Dr. Anne Epaulard, IMF, Dr.S.Wangwe-esrf-Tanzania, Dr.O.A.Akinboade, Unisa-RSA; Dr. W.Werner - Namibia	2003
The challenges for the developments of Namibian Government bonds market : Lessons from other countries -	Phillip Shiimi-BoN; Mike Sandler-RSA; Tom Lawless –RSA and Nicholas Biekpe -RSA	2004
The benefits of Regional Integration for smaller economies -	Paul Kalenga –SADC Secretariat, F.Di Mauro –EU and Prof.SKB Asante	2005
Foreign Direct investment versus Direct Investment in Namibia	Dr. S. Ikhide - Unam	2006
Broad-based Economic Empowerment : Lessons for Namibia	Dr. John Steytler - BoN, Dr. Just Faaland - Norway, Roger Southall-RSA	2007
Structural Transformation of the Namibian economy: Insight from other Countries	Prof. J.E. Odada-Unam, Mr. H.O. Jankee - Bank of Mauritius, Ms.P. Arora-World Bank, RSA, Prof. Ji Hong Kim-KDI School of Public Policy and Management, Mr. K. U. Katjomuise-UNECA	2008
Privatisation in Namibia	Dr. John Steytler-Bank of Namibia, Dr. Omu Kakujaha-Matundu-University of Namibia, Prof. Jin Park-KDI School of Public Policy and Management, Dr. Keith Jefferis- Econsult Botswana (Pty) Ltd, Mr. Sven Thieme-Ohlthaver and List Group, Mr. Robin Sherbourne-Old Mutual Namibia	2009

### 4. STATUTORY PUBLICATION: THEME CHAPTERS ANNUAL REPORT

Title	Contributors	Year
Socio-Economic Development: The Post Independence Decade	Policy Research	2001
Challenges of Economic Diversification	Policy Research	2002
Review of Namibia's Participation in Regional Integration Arrangements: Issues and Implications	Policy Research	2003
Unemployment and Employment Creation-Policy Options for Namibia	Policy Research	2004
Viability of second tier Banks	Extraction from Banking Supervision Study	2005
The Base Care Principles for Effective Banking Supervision	Banking Supervision	2007

## LIST OF ABBREVIATIONS

AUD	Australian Dollar
BoN	Bank of Namibia
CA	Competitive Advantage
CAD	Canadian Dollar
CBS	Central Bureau of Statistics
CD	Competitive Disadvantage
CMA	Common Monetary Area
CPI	Consumer Price Index
CPIX	Consumer Price Index excluding mortgage loans (South Africa)
DBN	Development Bank of Namibia
Dinar	Kuwaiti Dinar
DMS	Debt Management strategy
FNB HPI	First National Bank House Price Index
FDI	Foreign Direct Investment
ECB	European Central Bank
EFTA	European Free Trade Association
EU	European Union
EUR	European Union currency
EUROSTAT	European Union Statistical Office
FNB	First National Bank
FoB	Free on Board
Franc	Swiss Francs
GBP	Great British Pound sterling
GC10	Government internal registered stock maturing in 2010
GC12	Government internal registered stock maturing in 2012
GC15	Government internal registered stock maturing in 2015
GC18	Government internal registered stock maturing in 2018
GC24	Government internal registered stock maturing in 2024
GCI	Global Competitive Index
GCR	Global Competitiveness Report
GDP	Gross Domestic Product
IIP	International Investment Position
IMF	International Monetary Fund
IRS	Internal Registered Stock
IRSRA	Internal Registered Stock Redemption Account
JSE	Johannesburg Stock Exchange
KfW	Kreditanstalt für Wiederaufbau
MENA	Middle East & North Africa
M2	Broad Money supply
MoF	Ministry of Finance
MPC	Monetary Policy Committee
N\$/NAD	Namibia Dollar
NBFIs	Non-Bank Financial Institutions
NCPI	Namibia Consumer Price Index
NEER	Nominal effective exchange rate
NFA	Net Foreign Assets
NFL	Net Foreign Liabilities
NPLs	Non-performing Loans

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## LIST OF ABBREVIATIONS

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NSX	Namibia Stock Exchange
ODCs	Other Depository Corporations
OPEC	Organization for petroleum exporting countries
PINs	Public Information Notices
PPI	Producer Price Index
PMI	Purchasing Managers' Index
PSCE	Private Sector Credit Extended
Q1	Quarter 1
Q2	Quarter 2
Q3	Quarter 3
Q4	Quarter 4
REER	Real Effective Exchange Rate
RHS	Right Hand Side
LHS	Left Hand Side
Repo	Repurchase Rate
RSA	Republic of South Africa
SA	South Africa
SACU	Southern Africa Customs Union
SDR	Special Drawings Rights
SARB	South African Reserve Bank
SOE	State Owned Enterprise
Stats SA	Statistics South Africa
SWFs	Sovereign Wealth Funds
TOT	Terms Of Trade
TB/Tbills	Treasury Bill
UK	United Kingdom
US	United States
USA	United States of America
USD/US\$	United States Dollar
YEN	Japanese Yen
YUAN	Chinese Yuan Renminbis
ZAR/Rand	South African Rand

## NOTES

## NOTES



