

# **Bank of Namibia**

## **Annual Report**

### **2000**

Registered Office

71 Robert Mugabe Avenue  
P.O. Box 2882  
Windhoek  
Namibia

# ***Bank of Namibia Corporate Charter***

## **MISSION**

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

## **VISION**

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

## **VALUES**

We are committed to service excellence.

We uphold integrity, impartiality,  
open communication and transparency.

We care for our staff, their well being  
and their contribution to the organisation.

We value teamwork.

In accordance with Section 52(1) of the Bank of Namibia Act No. 15 of 1997, the Bank has submitted to the Minister of Finance this Annual Report, which includes:

- (i) a copy of its annual accounts certified by the auditors;
- (ii) a report of its operations and affairs; and
- (iii) a report on the state of the economy.

TOM K ALWEENDO  
GOVERNOR

March 2001

## MEMBERS OF THE BOARD



**Back:** Dr. O. Herrigel, Mr. P. Damaseb, Mr. R.L. Ritter, Ms. P. Elago, Mr. F. Kisting,  
Mr. M. Gaomab II (Board Secretary)

**Front:** Mr. L.S. Ipangelwa (Deputy Governor), Mr. Tom K. Alweendo (Governor)

**Inset:** Mr. U. Maamberua

## BANK OF NAMIBIA MANAGEMENT

<b>Governor</b>	<b>Mr Tom K Alweendo</b>
<b>Deputy Governor</b>	<b>Mr L S Ipangelwa</b>
<b>Advisor</b>	<b>Dr S Ikhide</b> <b>Mr B Vollan</b>
<b>General Manager</b>	<b>Mr U Davids</b>
Internal Auditor	Vacant
Special Assistant to the Governor and Board Secretary	Mr M Gaomab II
<b>Chief Economist and Head of Research</b>	<b>Mr D Anjaneyulu</b>
<b>Principal Economist and Deputy Head of Research</b>	<b>Dr C Hoveka</b>
Manager - Statistics	Mr M S Mwinga
Manager - Economics and Finance	Vacant
Manager - Modelling and Forecasting	Mr W I Shiimi
Manager - International Economic Relations	Mr F M Hengari
<b>Senior Manager - Bank Supervision</b>	<b>Mr E I Meroro</b>
Manager - Regulations and Analysis	Mr B Masule
Manager - Bank Examinations	Mr P Mwangala
<b>Senior Manager - Banking Services</b>	<b>Mr P Hartmann</b>
Manager - Payment System	Mr F Guiseb
Manager - Currency and Banking	Ms R Metzler
Manager - Exchange Control	Mr W Mberirua
<b>Senior Manager - Information Technology</b>	<b>Mr T Nehoya</b>
Manager - Business Systems	Mr J v d Merwe

**Senior Manager - Human Resources**

Manager - Training and Development

**Ms L Markus**

Mr B Uirab

**Senior Manager - Corporate Services**

Manager - Protection Services

Manager - Properties and General Services

Manager - Legal Services

**Mr F Hamunyela**

Mr A Shikongo

Mr E Lehmann

Ms S Tjjjorokisa

Manager - Finance

Mr H Theodore

Manager - Financial Markets

Mr F Hangula

Manager - Public Relations

Ms L Martin

## ABBREVIATIONS

ACP	African, Caribbean and Pacific
AIDS	Acquired Immunodeficiency Syndrome
ASL	Additional Sales Levy
BES	Book Entry System
BIMB	Bank Industry and Teknologi Malaysia Berhad
BON	Bank of Namibia
CBH	City Savings and Investment Bank Holding
CBS	Central Bureau of Statistics
CMA	Common Monetary Area
COMESA	Common Market for Eastern and Southern Africa
CPI	Consumer Price Index
CSIB	City Savings and Investment Bank
EU	European Union
EU-SAFTA	European Union South Africa Free Trade Agreement
FTA	Free Trade Area
GBP	British Pound
GDP	Gross Domestic Product
HIV	Human Immunodeficiency Virus
IMF	International Monetary Fund
IRS	Internal Registered Stock
JPY	Japanese Yen
NCD	Negotiable Certificate of Deposit
NDP2	Second National Development Plan
NIM	Net Interest Margin
NPL	Non performing Loans
NSX	Namibian Stock Exchange
OECD	Organisation for Economic Co-operation and Development
OPEC	Organisation of Petroleum Exporting Countries
ROA	Return of Assets
ROE	Return on Equity
SACU	Southern African Customs Union
SADC	Southern African Development Community
TAC	Total Allowable Catch
TB	Treasury Bill
USD	United States Dollar
VAT	Value Added Tax
YoY	Year-on-Year
ZAR	South African Rand

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# **PART A**

# **STATE OF THE ECONOMY**

**Report in terms of section 52 (1)(c) of the Bank of Namibia Act No 15 of 1997**

# 1. ECONOMIC OVERVIEW

## 1.1 Global Economy

Global economic expansion has continued to gain strength with world output projected to grow by 4.7 per cent in 2000, half a percentage point higher than was expected at the beginning of 2000. Growth is projected to increase in all major regions of the world, supported by continued growth in the U.S. economy, robust growth in Europe, continued recovery in Asia and a turnaround from last year's slowdowns in the emerging markets of Latin America, Middle East and Europe. Countries in transition are expected to register a second year of solid growth, underpinned by better than expected performance in Russia.

Emerging markets in Latin America and the Caribbean continued to recover from the 1997-98 crises. Growth in these regions has been fuelled by buoyant exports and a recovery in consumer confidence. Growth in real GDP, which was flat in 1999, is expected to reach 4.3 per cent in 2000 and 4.5 per cent in 2001, while inflation is projected to remain in single digit in most countries.

In Asia, growth is projected to increase from 6.0 per cent in 1999 to more than 6.5 per cent in 2000 and 2001. The recovery of output in 1999 was supported by monetary and fiscal stimuli, as well as external demand, supported by recovery in prices of electronic goods. Continuing demand for information technology goods and services is expected to underpin the expansion, with private domestic demand projected to become more important in propelling regional growth in 2001.

Economic developments in the Middle East and Africa have mainly been shaped by external factors, including changes in commodity prices and growth in export markets. A rebound in world oil prices has boosted economic activity and prospects for most oil-producing countries in the Middle East and Africa. Many of the non-oil producing countries in the region, however, have faced substantial terms of trade losses as export prices of non-fuel commodities and other primary goods remained depressed. In the Middle

East, economic growth is projected to turn positive in 2000 and 2001. In Africa, growth is projected at 3.5 per cent in 2000, rising to 4.5 per cent in 2001, supported by oil exporting countries. In South Africa, the largest economy on the continent, economic recovery is fragile, but gaining momentum with output registering 3 per cent in 2000 and is expected to improve to 4 per cent in 2001.

## 1.2 Domestic Economy

Despite the strong global expansion, the performance of the Namibian economy in 2000 appears not to have differed significantly from that of 1999. Preliminary estimates revealed positive growth rates to have been recorded by sectors such as agriculture, mining, manufacturing, transport and communication, wholesale and retail trade, tourism and government. On the other hand, output of the fishing and electricity and water sectors declined in 2000.

During 2000 inflationary pressures increased somewhat as evidenced by the average annual growth rate in the consumer price index (CPI) from 7.9 per cent in 1999 to 9.3 per cent in 2000. The increase in the annual inflation rate came about mainly through imported inflation, which, in turn, is attributable to higher oil prices and the depreciation of the Namibia dollar against the US dollar.

On the monetary scene, the growth rate in broad money supply (M2) declined during 2000. This slowdown is mainly due to the decline in net foreign asset holdings by the banking system. Domestic credit, on the other hand, registered a strong increase in response to lower interest rates witnessed during 2000. Credit to the private sector increased substantially by N\$1.6 billion during 2000 compared with a N\$0.5 billion increase during 1999. The money market rate remained quite steady during 2000. As a result of the higher inflation witnessed during the year, real interest rates declined steadily throughout the year.

On the fiscal front, the budget deficit declined during the first half of the 2000/01 fiscal year

compared with the corresponding period in the preceding fiscal year. Another encouraging development on the macro-economic scene during 2000 was the strong positive current account balance, which substantially surpassed the level prevailing in the previous year. This is largely attributable to the higher level of SACU receipts this year compared to the preceding year. It is expected that the EU-SAFTA trade arrangement may result in a substantial reduction in this source item of revenue. In view of this, efforts towards exploring alternative sources of revenue to avoid possible slippages in the budgetary position assume paramount significance in years ahead.

### 1.3 Policy Formulation and Challenges

Regarding economic policy formulation, the Bank participated actively in drafting Namibia's Second National Development Plan (NDP2), as it attaches particular importance to mapping out the medium-term objectives, policies and strategies for Namibia's socio-economic development. The Bank maintains an active debate with the Finance Ministry on policy co-ordination and to exchange information and views on pertinent economic issues. A stronger policy orientated research approach has been adopted, which is meant to address specific and topical issues and to stimulate public debate. This approach is reflected in a number of research papers issued, the annual Bankers Conference and other public fora hosted by the Bank.

In co-operation with the other CMA central banks, the Bank participated in preparatory meetings of the Monetary Policy Committee (MPC) of South Africa. Of particular concern during the pre-MPC deliberations was the accelerated inflation in the CMA, but, because these inflationary pressures were not of a structural nature, it was concluded not to materially alter the current monetary policy stance for the time being. Naturally, the trade-off between higher growth and lower inflation featured high on the agenda of CMA central banks. The process of regional economic co-operation and integration among SADC States proceeds well under the auspices of the Committee of Central Bank Governors of SADC and a number of

mutual projects, including payment systems, research and bank supervision, are being actively pursued under the aegis of this arrangement.

The operational and policy challenges of the Bank continue to be the pursuit of transparency in its activities; improved, safer and more effective banking services being offered to the public; and regular debate about policy issues with the banking industry, the Government and the public at large.

Recent developments have necessitated the drafting or amending of relevant legislation under which the Bank of Namibia operates. This is, firstly, the Bank's enabling act, the Bank of Namibia Act, 1997, where a number of policy and operational changes will be sought from the legislators. Secondly, the overall philosophy of exchange control has started to shift over the last five years (as reported elsewhere) and now also requires the revision of exchange control legislation. Thirdly, the payment system modernisation project in the banking industry calls for urgent enabling legislation to manage, control and operate the clearing and settlement systems in Namibia. Finally, recent events in the field of deposit taking in Namibia have called for some amendments to the Banking Institutions Act, 1998, to tighten certain control measures. We trust that considerable progress can be made during the year to bring into place these major legislative changes.

Globally, there has been a strong drive towards strengthened monetary and financial systems, with particular reference to increasing the degree of transparency of the objectives and operational processes governing monetary and financial policies. Driven by this objective, the Bank has subjected itself to the Code of Good Practices on Transparency in Monetary and Financial Policies, which has been spearheaded by the IMF and has been adopted by many member countries. The result of this introspection should be discernible from the format and content of this annual report.

As from January 1 2001, a new Memorandum of Agreement between the Bank and the Government of Namibia came into effect. The main aim of the

Agreement is to improve the transparency of and to clarify the financial relationship between the Bank and the Ministry of Finance resulting from the service rendering functions of the Bank and from the Ministry's responsibilities as the fiscal authority of the State. One of the key provisions of the Agreement is for the Bank to pay market-related interest on deposits held by Government at the Bank. This per se will considerably change the financial position of the Bank as from this year, but this arrangement will ensure a more steady revenue flow to the State. At the same time, the parties agreed on other aspects of service provision by the Bank to the Ministry and on regularising co-ordination and consultation.

The year ahead promises to be challenging, although certain key developments foreshadow an improved outlook over the medium-term. The Bank will continue to monitor and evaluate major macro-economic trends and assess the necessity or desirability of appropriate policy intervention. In line with the current attention being focused on containing inflation within the CMA, the Bank will continue backing this regional policy stance. The Bank,

however, is conscious of the fact that the current monetary policy stance has, at least in Namibia, not provided sufficient stimulus to activate economic activity. Economic growth will, therefore, be monitored with a view to debating possible fresh policy approaches with fellow CMA central banks. This, in turn, requires that the policies of other major economic role players be broadly aligned to these regional policy objectives. In this regard, the Bank, as financial adviser to the Government, will seek to play a more prominent advisory role in the fiscal affairs of the country, with a view to fine-tuning fiscal and monetary policies in line with growth objectives.

Over the medium term, the wide margin by which domestic savings exceed domestic investments remains a persistent structural problem of the Namibian economy and a concern to policy-makers. Structural problems such as these cannot be corrected by conventional fiscal and/or monetary policy intervention, but should be addressed holistically through a blend of macro-economic, sectoral and structural policy reforms. This, therefore, should be one of the key focal areas to be addressed by NDP2.

## 2. REAL SECTOR AND PRICE DEVELOPMENTS

### 2.1 Domestic Output

The performance of the Namibian economy in 2000 appears not to have differed significantly from that of 1999. Preliminary estimates revealed positive growth rates to have been recorded by sectors such as agriculture, mining, manufacturing, transport and communication, wholesale and retail trade, tourism and government. On the other hand, output of the fishing and electricity and water sectors declined in 2000.

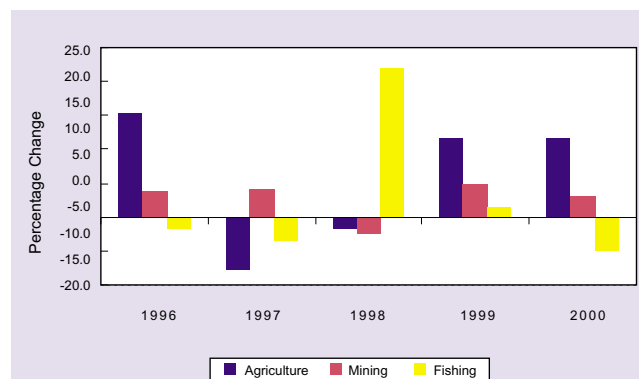
Following the good rainfalls in 2000, output in the agricultural sector increased by 11.7 per cent. Cereal production was higher in 2000 as a result of an increase in the area under cultivation compared to 1999, aided by good rainfall. Karakul pelts and wool also have seen an upswing in 2000. The new price structure for ostrich products, which was announced during the second half of 2000 by Ostrich Production Namibia, compares favourable with South African prices and will most probably motivate farmers to increase investment in the industry. This will undoubtedly help to improve the performance of the industry.

Although the mining sector recovered moderately in 1999 following its sharp decline in 1998, it slipped back in the first half of 2000. It recovered significantly in the third quarter but declined again in the fourth quarter of the year. The net result of these fluctuations has been the estimated increase of 3.2 per cent in output compared to a 4.8 per cent in 1999. Diamond production increased by 0.8 per cent, and uranium oxide by 0.9 per cent, despite the presence of low uranium prices and operational difficulties experienced at the Rossing mine. The favourable trend in gold prices in the international markets resulted in an estimated increase of 22.4 per cent in the output of gold. The medium term outlook for the mining sector, however, is positive following the reopening of the TCL mines by Ongopolo this year and the announcement of the planned N\$3.2 billion

development of the Skorpion mine by Anglo American.

Output in the fishing sector is estimated to have decreased by about 5.1 per cent compared with a growth of 1.3 per cent in 1999 (chart 2.1).

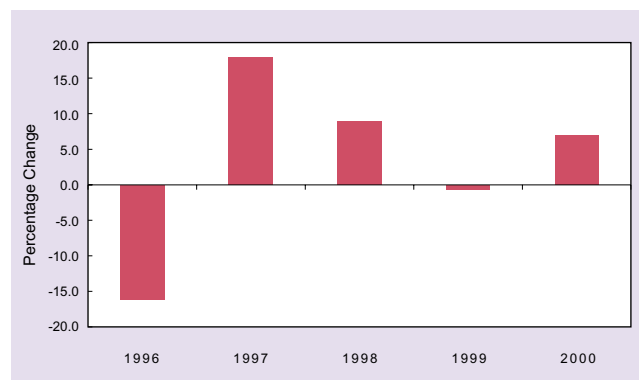
**Chart 2.1 Real Growth Rates in the Primary Sector at Constant 1995 Prices**



Source: CBS and BoN

Value added in the manufacturing sector is estimated to have risen by 6.7 per cent compared to a decline of 0.6 per cent during 1999 (chart 2.2). Increases were observed in the sub-sectors fish processing and other manufacturing, while meat processing declined because of reduced livestock marketed in 2000 due to restocking.

**Chart 2.2 Real Growth in the Manufacturing Sector at Constant 1995 Prices**



Source: CBS and BoN

The allocation of N\$1.3 billion for capital expenditure by government this year and the relatively low interest rates that prevailed contributed to the good performance of the construction sector in

2000. Major indicators such as building plans passed and completed pointed towards a better performance during the second half of 2000 compared to the corresponding period of the previous year. Prospects for this sector seem to be bright due to the likely implementation of major projects such as the Skorpion zinc mine, the Naval Base at Walvis Bay and the Northern Railway project.

Due to the instability in the north-eastern regions bordering Angola, the performance of the tourism industry, as reflected in hotels and restaurants, was expected to be significantly poor this year. However, preliminary figures for the industry show an overall increase of 7.4 per cent for 2000.

The retail sector is estimated to have slowed during 2000, with a growth rate of 1.8 per cent compared with 4.6 per cent in 1999. The positive growth was estimated to have taken place mainly during the fourth quarter of 2000 when supermarkets and furniture retailers registered increases in turnovers due to consumers having spent significantly more during the fourth quarter before the introduction of value added tax (VAT) since most consumers expected prices to increase after VAT came into effect.

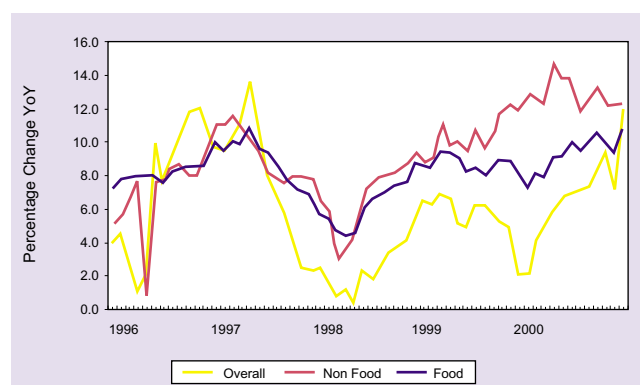
Value added in the transport and communication sector is estimated to have expanded by 4.7 per cent during the year under review. The growth was mainly due to the good performance of the communication sub-sector, while the transport sub-sector performed poorly.

## 2.2 Price developments

The average annual rate of inflation as measured by the Windhoek interim CPI for 2000 was 9.3 per cent compared to 8.6 per cent in 1999 (Chart 2.4). Notable increases were mainly observed in the sub-indices of transport & communication and medical & health services, which increased by 17.1

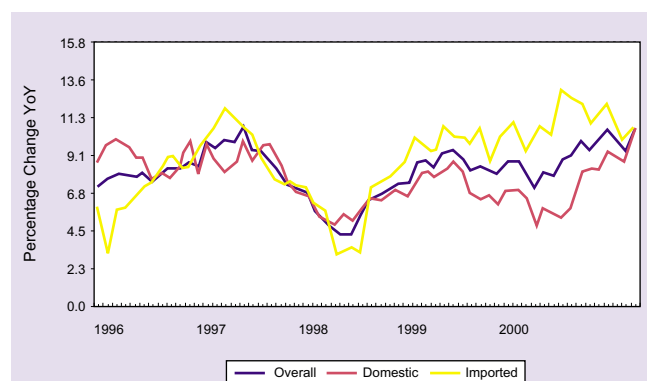
and 10.8 per cent, respectively, the former apparently responding to higher fuel prices during the year. The corresponding rates for 1999 were 13.5 per cent and 3.7 per cent, respectively. These increases were partially moderated by a slowing of inflation in the beverage & tobacco and clothing & footwear sub-indices, which increased by 10.5 per cent and 3.9 per cent, respectively. The corresponding rates stood at 14.9 per cent and 6.1 per cent, respectively during 1999. Food inflation rose to 6.9 per cent during 2000, compared to 5.6 per cent in the preceding year also adding to inflationary pressure. Non-food inflation stood at 12.8 per cent, 3.5 percentage points higher than the overall inflation rate recorded during 2000.

**Chart 2.3 Price Trends**



Source: CBS

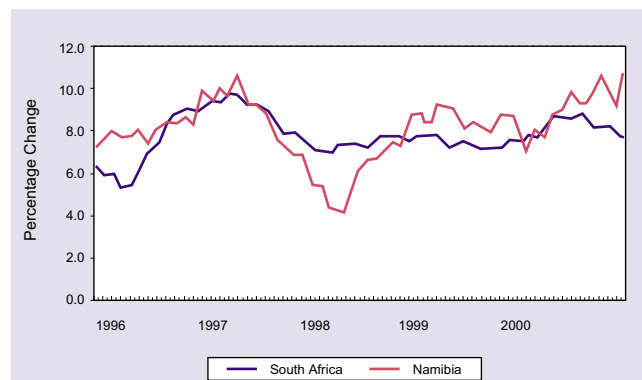
Imported inflation rose by 11.3 per cent during 2000 (Chart 2.5), compared with an increase of 10.1 per cent during the previous year. High imported inflation stemmed mainly from the persistent increase in fuel prices and the depreciation of the South African Rand to which the Namibian currency is pegged. There have been five increases in the price of both petrol and diesel during 2000. Domestic inflation only increased marginally to 7.5 per cent as compared with 7.3 per cent in the same period last year. This suggests that the source of inflationary pressure is predominantly from imported goods.

**Chart 2.4 Namibia's Consumer Price Index**

Source: CBS

The average rate of consumer price inflation in South Africa remained unchanged at 5.3 per cent in 2000 as compared with the previous year. The average rate for the CPIX<sup>1</sup> in South Africa, which is more comparable with Namibia's average annual

inflation increased from 7.4 per cent in 1999 to 8.1 per cent in 2000. The increase was mainly due to the increase in the price of fuel and related products and the weakening of the Rand against the US Dollar.

**Chart 2.5 Namibian inflation vs. South Africa's CPIX (annual changes)**

Source: CBS

<sup>1</sup> The CPIX is the price index used by the South African Reserve Bank in their inflation targeting framework. It excludes mortgage rates and is comparable to Namibia's head line or overall inflation.



### 3. MONETARY AND FINANCIAL DEVELOPMENTS

#### 3.1 Monetary Developments

During 2000 inflationary pressure started to mount in Namibia due to high international oil prices and the depreciation of the South African Rand to which the Namibia dollar is linked. Despite these inflationary pressures the Bank of Namibia did not raise interest rates aiming instead to stimulate economic growth and to give a break to creditors who were still suffering from the after effects of high interest rates following the East Asian currency crisis of 1998. Consequently, the Bank Rate (Bank of Namibia's main operational instrument of monetary management) remained unchanged at 11.25 per cent for the greater part of the year.

In line with the above developments, most money markets rates remained either unchanged for the greater part of 2000 or recorded moderate declines. For example, the average prime lending rate of commercial banks declined moderately from 16.5 per cent in January to 15.9 per cent by December 2000.

#### 3.2 Money Supply

During the first half of 2000, the average annual growth rate of broad money supply (M2) increased by 16.3 per cent compared to 12.5 per cent during the corresponding period of the preceding year. However, this trend was reversed during the second half of 2000 when the average annual growth rate of money supply declined to 10.3 per cent from 16.4 per cent in the corresponding half of 1999. The annual rate of

increase in broad money supply for the year ending December 2000 was 12.7 per cent, significantly lower than the 20.4 per cent recorded for the year ending December 1999. The slowdown in the growth of the money supply during 2000 is mainly attributable to the decline in net foreign assets of the banking system from N\$930 million in the previous year to N\$347 million by December 2000.

The increase in M2 was totally reflected in narrow monetary liabilities (M1), which recorded an increase of N\$1,236.4 million (28.0 per cent), while quasi-money, the other component of M2 declined by N\$17.1 million (0.7 per cent) during the year. Their corresponding growth rates for 1999 were 24.1 per cent and 17.4 per cent, respectively. The growth in M1 during the year was in turn reflected in both its components that is to say demand deposits and currency in circulation, which increased by 27.2 per cent and 13.8 per cent, respectively. The strong shift from quasi money to short-term monetary liabilities during the year occurred in the wake of negative real deposit rates, in particular during the second half of the year. In view of low or negative returns on demand deposits due to low or negative real deposit rates, individuals and businesses appear to prefer to hold their deposits in shorter-term instruments so that when they identify a profitable business venture, they have easy access to liquidity.

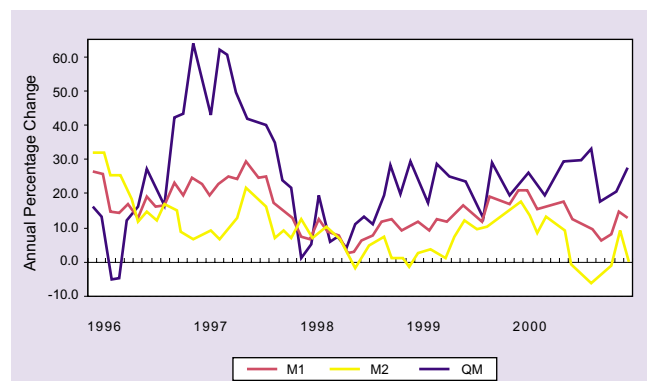
The increase in money supply during the year is mainly attributable to a strong increase in private sector credit in response to the relatively low interest rates witnessed during 2000. During the year private sector credit expanded substantially by N\$1,5912 million compared with N\$488 million in the previous year, an increase of 226.2 per cent. The monetary impact of

**Table 3.1 Annual Changes in the Determinants of Broad Money Supply (N\$ Million)**

	1996	1997	1998	1999	2000
Total Domestic Credit	439	893	825	888	1,530
<i>Claims on the Private Sector</i>	762	940	797	488	1,592
<i>Net Claims on the Central Government</i>	-323	-47	28	400	-62
Net Foreign Assets of the Banking System	1,279	-67	455	930	347
Other Items Net	-414	-317	-511	-193	-657
<b>Broad Money Supply (M2)</b>	<b>1,304</b>	<b>509</b>	<b>770</b>	<b>1,625</b>	<b>1,219</b>

central government was, however, negative at N\$62 million in 2000 as compared with a monetary impact of N\$400 million witnessed during the previous year.

**Chart 3.1 Monetary Aggregates**



### Net Foreign Assets

Net foreign assets of the banking system, which amounted to N\$2.7 billion as at the end of December 2000 as compared with N\$2.3 billion at the end of the previous year, contributed moderately to the growth of the money supply during the year. The increase in the net foreign assets over the year was mainly attributable to an improvement in the net foreign assets position of commercial banks. During the year, commercial banks in Namibia significantly increased their foreign deposits by N\$875.5 million, while at the same time increasing their foreign liabilities by N\$312.8 million. As a result the net foreign asset position of commercial banks improved from N\$459.4 million at the end of December 1999 to N\$772.2 million at the end of December 2000, representing an increase of 68.1 per cent.

### Domestic Credit

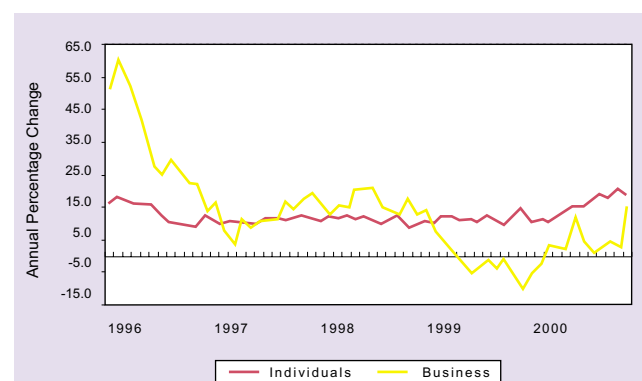
The annual growth rate of domestic credit, comprising primarily of private sector credit and credit to central government increased by 15.2 per cent at the end of December 2000, compared with an annual growth rate of 9.6 per cent at the end of December 1999. During the year 2000 the central government became a net creditor to the banking system. While governments net borrowing increased

by N\$400 million during the preceding year, it declined by N\$62 million in 2000.

Claims on the private sector continued to account for most of the increase in domestic credit. The annual growth rate of private sector credit increased by 16.9 per cent during 2000 compared with 5.1 per cent in the preceding year. This sharp increase in private sector credit over the year was in response to the relatively low interest rates that prevailed throughout the year. It is noteworthy that the annual growth rate of private sector credit increased gradually throughout the year. For the first half of the year the average annual growth rate of private sector credit stood at 8.3 per cent, whereas during the second half of the year it had increased to 13.4 per cent.

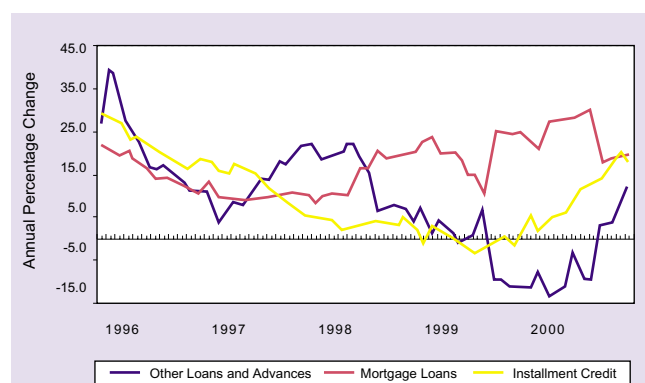
Private sector credit, however, was characterised by strong growth in credit to individuals (as indicated by chart 3.3). The annual growth rate of credit to individuals remained above 10 per cent throughout the year and at the end of November it had reached a peak of 20.2 per cent. The growth in credit to the business sector, however, also started to respond to lower interest rates during 2000 when compared to the previous year. This turnaround in the annual growth rate of credit to the business sector is encouraging. The growth rate, which was still negative as at the beginning of the year turned positive towards the end of the first quarter to reach a peak of 11.8 per cent by the end of June 2000. At the end of December the annual rate of growth for credit to the business sector stood at 14.6 per cent.

**Chart 3.2 Private Sector Credit**



An analysis of private sector credit by type shows that mortgage loans recorded the highest average annual growth rate of more than 23.9 per cent, indicating that this sector benefited more from lower interest rates. This was followed by installment credit, which recorded an average annual growth rate of 10.4 per cent. Composition wise, mortgage loans at the end of December 2000 accounted for 48.6 per cent of private sector credit. This was followed by the other loans and advances (35.6 per cent) and installment credit (14.4 per cent). The rest of the private sector credit (approximately two per cent) went to the categories leasing and bills, respectively.

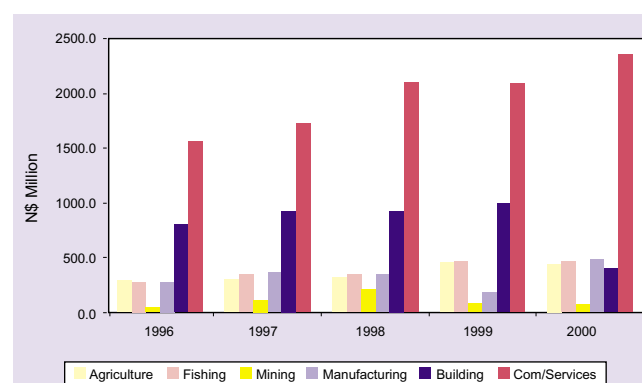
**Chart 3.3 Private Sector Credit by Type**



### Direction of Commercial Bank Credit

Credit to individuals constituted 51.7 per cent of total credit at the end of 2000 compared with 42.0 per cent at the end of the previous year. The share of credit to the commercial and services sector increased slightly from 28.0 per cent at the end of December 1999 to 27.0 per cent at the end of 2000. The rise in commercial bank credit to individuals is encouraging, because the bulk of it was caused by a strong growth in mortgage loans and, therefore, did not finance consumption.

**Chart 3.4 Direction of Commercial Bank Credit**

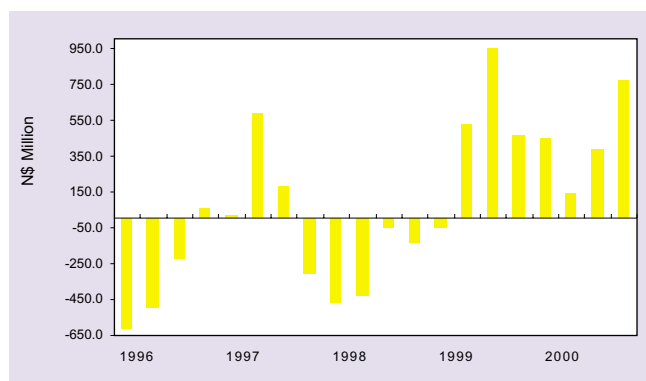


The agricultural and fishing sectors accounted for 5.0 and 5.3 per cent of total commercial bank credit, respectively compared to 6.1 per cent registered by both these sectors in the preceding year. This means that the total share of these two sectors declined from 12.1 per cent in the previous year to 10.3 per cent in 2000. The share of mining and quarrying in total commercial bank credit declined slightly from 1.1 per cent in 1999 to 0.8 per cent in 2000. There has been a sharp decline in the share of building and construction in total commercial bank credit from 13 per cent at the end of December 1999 to 4.5 per cent in 2000.

### Liquidity of Commercial Banks

The liquidity of commercial banks, as measured by the change in their net foreign assets, showed a moderate improvement during 2000 compared to the previous year. During 2000 commercial banks in Namibia managed to increase their foreign assets by N\$875.5 million to N\$1,753.3 million, representing an increase of 99.7 per cent. At the same time they increased their foreign liabilities by a massive 134.5 per cent from N\$418.4 million at the end of 1999 to N\$981.1 million at the end of 2000 to finance the higher demand for credit during this period. As a result of the aforementioned developments, the net foreign asset position of commercial banks improved significantly by 68.1 per cent from N\$459.4 million at the end of 1999 to N\$772.2 million at the end of 2000.

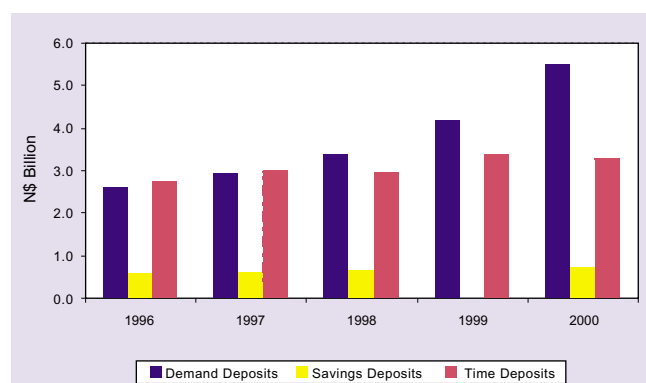
**Chart 3.5 Net Foreign Assets of Commercial Banks**



### Bank's Sources of Funds

Total commercial bank deposits increased moderately by N\$749.8 million (9.1 per cent) to reach N\$9.0 billion at the end of 2000 as compared with an increase of 18.2 per cent during the previous year. The increase in commercial bank deposits over the year was almost totally accounted for by demand deposits which recorded an increase of N\$1 040.9 million (24.9 per cent) compared to an increase of 23.6 per cent in the previous year. Time deposits which grew by N\$50.8 million (7.1 per cent) over the year also contributed to the increase in total deposits. On the other hand, savings deposits declined by N\$341.7 million (10.1 per cent) during 2000 as against an increase of 14.2 per cent registered in the previous year.

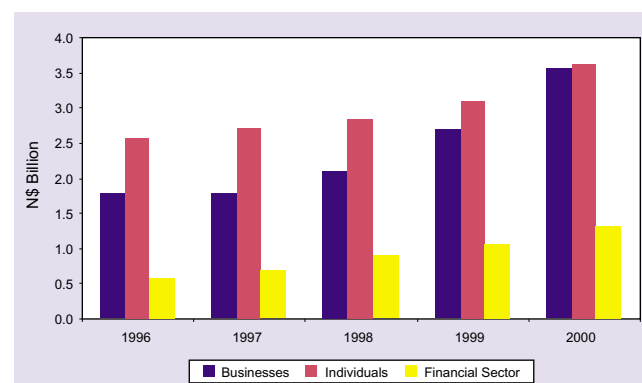
**Chart 3.6 Commercial Bank Deposits by Type**



A sectoral breakdown of the deposits of commercial banks reveals that the private sector has primarily contributed to the increase in total deposits. This is evident from the fact that the deposits of the

private sector rose by N\$941.8 million (16.3 per cent) during the year under review. The increase in private sector deposits came about due to increases in both its components, that is to say the business sector and individuals of N\$803.8 million and N\$137.9 million, respectively. The deposits of the financial sector also increased by N\$137.9 million during the year under review. In terms of composition, private sector deposits continued to account for the bulk of commercial bank deposits (74.9 per cent) made up of deposits by the business sector and individuals of 38.9 per cent and 36.0 per cent, respectively. The financial sector accounted for 12.4 per cent of total commercial bank deposits as at the end of 2000.

**Chart 3.7 Sectoral Distribution of Commercial Bank Deposits**



### 3.3 Money Market

Despite the sharp depreciation of the South African Rand in 2000, the monetary authorities in the Common Monetary Area (CMA) opted for a rather accommodating monetary policy stance in order to promote growth in their respective countries. As a result, the Bank Rate remained unchanged at 11.25 per cent for the greater part of the year.

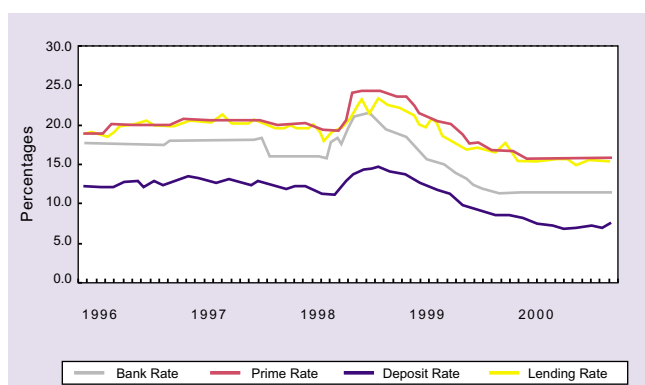
As a consequence of the aforementioned developments, most money market rates in Namibia remained either unchanged or moved slightly downwards during the year under review. The average prime lending rate and the average mortgage rate of commercial banks remained unchanged at 15.9 per cent and 15.7 per cent, respectively. However, higher inflation during the latter half of the year meant real interest rates began to decline. Whereas the average

real prime rate of commercial banks still stood at 5.5 per cent at the end of the first half of 2000, by the end of the second half it was only 4.6 per cent. Similarly, the average real mortgage rate of commercial banks moved from 5.3 per cent at the end of June 2000 to 4.4 per cent by the end of December 2000.

In line with the above-mentioned developments, the average lending rate of commercial banks also moved downwards throughout the year. At the beginning of the year, the average lending rate of commercial banks stood at 15.7 per cent. It then gradually moved downwards to reach 15.6 per cent in June 2000 and 15.1 per cent in December 2000. In real terms, however, the average lending rate of commercial banks dropped sharply from 5.2 per cent in June to 3.9 per cent in December. In direct response to these developments the average nominal deposit rate of commercial banks also declined from 8.4 per cent in January to 7.1 per cent and 7.0 per cent in June and December, respectively.

In real terms the average deposit rate, which stood at -2.5 per cent at the end of June fell to -2.9 per cent at the end of December 2000. Although the phenomenon of low real interest rates augurs well for potential investors, it acts as a major deterrent to individuals and businesses in holding their deposits in view of low or negative returns on their deposits. It may also render the deposit mobilisation process difficult for the banks since depositors are more likely to keep more of their money in the form of cash balances rather than in longer-term deposits.

**Chart 3.8 Selected Interest Rates**

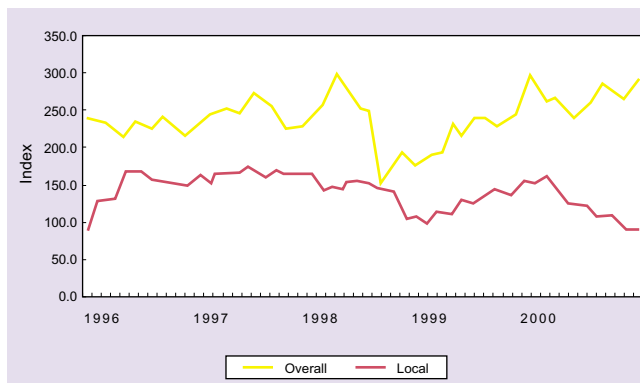


Low interest rates in the money market were also reflected in the cost of government borrowing. The average effective yield for 91-day treasury bills (TB's) declined from 12.4 per cent at the end of December 1999 to 11.2 per cent at the end of June and further to 10.2 per cent at the end of December 2000. Similarly, the average effective yield of the 182-day TB declined from 12.8 per cent in December 1999 to 11.7 per cent in June and further to 10.7 per cent in December 2000.

### 3.4 Capital Market

Activity on the capital market has been rather subdued throughout 2000 as reflected in the trends witnessed on the Namibian Stock Exchange (NSX). The locally listed companies in particular have suffered setbacks. The NSX witnessed a decline in turnover as well as in share prices during the year 2000 compared to the preceding year. As a result, market capitalisation declined throughout the year. During 2000 the overall market capitalisation of the NSX declined from N\$333.1 billion at the end of December 1999, to N\$291.3 billion at the end of June 2000. During the second half, however, it recovered marginally to N\$307.1 billion at the end of December. The overall price index moved from 292 points at the end of 1999 to 254 at the end of June 2000 before recovering to 267 at the end of December 2000.

Local company stock market activity remained depressed during 2000 due to poor demand for local company shares and the subsequent slip in their prices. The local price index declined from 157 points at the end of December 1999 to 123 at the end of June 2000 and to 96 by the end of December 2000. As a result the local market capitalisation moved downward steadily quarter by quarter without exception. Local market capitalisation declined from N\$4.3 billion at the end of December 1999 to N\$4.0 billion at the end of March 2000. It further declined to N\$3.2 billion at the end of June 2000. By the end of December 2000 it stood at a low of only N\$2.5 billion, representing a decline of 41.9 per cent since the beginning of 2000.

**Chart 3.9 NSX Price Indexes**

Source: NSX

The financial sector (67 per cent) and the mining sector (24 per cent) continued to dominate overall market capitalisation. The industrial and retail sub-sectors accounted for 5 and 4 per cent of overall market capitalisation, respectively. The contribution of the fishing sub-sector was negligible at only 0.3 per cent. On the other hand the industrial (29 per cent) and the mining (28 per cent) sub-sectors dominated the value of the local market capitalisation followed by the financial (25 per cent) and fishing sub-sectors (14 per cent).



**BOX A DEMAND FOR AND SUPPLY OF COMMERCIAL BANK LOANS IN NAMIBIA<sup>2</sup>**

The availability and utilisation of production credit is a major factor in the promotion of economic growth and development. Commercial banks are important sources of the credit required for the expansion of productive economic activity. Business firms and other private sector operators' ability to borrow are also considered crucial as this may affect the pace of economic activity. Thus, in this regard, efforts are often geared towards identifying the factors that influence the demand for and supply of credit in the economy.

In recent times, the Namibian economy has witnessed a decline in private sector credit, after an initial spurt during the first four years of Independence. One of the arguments advanced in public for this decline is that domestic enterprises are not able to effectively exploit the available supply of credit in the economy. It is against this backdrop that the Bank of Namibia tested the hypothesis of the existence of a credit crunch in Namibia. This study on the demand for and supply of commercial bank loans in Namibia found that:

¥ Real commercial bank credit to the private sector increased from N\$10.2 million in 1980 to about N\$60.4 million in 1999. Although the annual growth rate of commercial bank's real credit to the private sector has improved since independence, such a growth rate has slowed since 1996. For example, between 1990 and 1995 real credit to the private sector registered an annual average growth rate of 12.6 per cent compared to 6.8 per cent between 1996 and 1999. However, the lending capacity of commercial banks, measured as the difference between total commercial bank liabilities plus net worth adjusted for cash in vaults, capital accounts and required reserves, has increased substantially over the same period.

¥ In Namibia, individuals are the primary recipients of credit, mostly in the form of mortgage loans,

installment and overdrafts. While in a number of developing economies, credit is normally extended to firms for business development.

¥ The share of private sector credit allocated to individuals is almost equal to the total credit directed to agriculture, fishing, mining and manufacturing sectors. This is a matter of concern.

¥ The majority of commercial bank loans are mainly of a short-term nature, mostly used to meet consumption and working capital requirements. Medium-term loans are commonly used for asset financing (machinery, computers, cars, etc.) and long-term lending is usually directed to home and farm bonds, commercial buildings, etc.

¥ There is no preference for particular sectors in commercial bank lending, although banks appear to be more risk averse to certain activities. Though there is a degree of variability from bank to bank, the government sector appears to have enjoyed more commercial bank attention than other sectors, followed by the trade and commerce sectors. According to commercial banks, the loan repayment rate in this sector is very good.

¥ A rise in government borrowing from the banking system might have played a role in the decline of commercial bank loans. As higher government borrowing may have helped to 'crowd out' bank credit to the private sector.

¥ Episodes of declines in the supply of credit during periods of increasing real interest rates were observed. Through the period 1997 to 1998 interest rates were rising but the demand for credit did not fall. Yet, the growth in the supply of credit declined persistently.

¥ The analysis has revealed a phenomenon whereby commercial bank's perception of higher

<sup>2</sup> The details of this study are contained in the paper 'The demand and supply of commercial bank loans in Namibia - Bank of Namibia Occasional Paper Series, Research Department, BoN.'

lending risks in the economy has increased.

¥ There is no conclusive evidence to support the assertion that the demand for commercial bank loans in Namibia has been much lower than the supply by the banks. In fact, between 1992-1994 and for the greater part of 1999, the study suggests that the demand for credit outstripped the supply. In between, there were alternating periods of excess demand and supply. This tends to suggest that credit is supply constrained in Namibia.

One of the major factors identified as the source of the supply constraint is the perception of higher lending

risks in the domestic economy by commercial banks. From a policy perspective, it is necessary that such a perception be tackled through appropriate policy measures. There is a need to strengthen the legal and institutional framework for dealing with loan defaults by making it less cumbersome and speedier. In addition, the monetary authority must ensure the existence of positive interest rates in the economy and encourage the establishment of branches of commercial banks especially in the rural areas as tools for the mobilisation of deposits. Evidence abounds, which shows that the impact of the establishment of a commercial bank branch in a hitherto unbanked area could serve as a strong stimulant for the mobilisation of deposits.



## 4. PUBLIC FINANCE

### 4.1 Government Budget 2000/2001

Fiscal policy in Namibia is geared towards fiscal prudence and discipline as part of overall macroeconomic strategy to lay the foundation for sustainable economic development over the long-term. The main thrust of budgetary operations during fiscal year 2000/01 involved selective increases in spending for development projects, including the Northern Railway Extension to connect the northern part of Namibia to the southern part of Angola in order to stimulate trade and commerce between the two countries. Other major capital projects during fiscal year 2000/01 included the rehabilitation of the Luderitz railway line, the rehabilitation of the Walvis Bay Aerodrome and further rural electrification projects.

#### 4.1.1 Revenue

Revenue in the 2000/01 revised budget amounted to N\$7.9 billion, which is 7.8 per cent more than the N\$7 billion in the 1999/00 financial year. The increase in revenue came mainly from increased diamond mining company tax and sales tax, which increased by N\$175 million and N\$165 million, respectively. As a percentage of the projected gross domestic product (GDP), total revenue increased moderately from 36.8 per cent in fiscal year 1999/00 to 37.5 per cent in 2000/01. Composition wise SACU receipts, with N\$2.9 billion, accounted for the biggest share of total revenue, followed by direct taxes with (N\$2.5 billion) and indirect taxes (N\$1.5 billion). Non-tax revenue, comprising mainly of receipts from administrative fees and charges, and entrepreneurial and property income accounted for N\$0.7 billion of total revenue.

#### 4.1.2 Expenditure

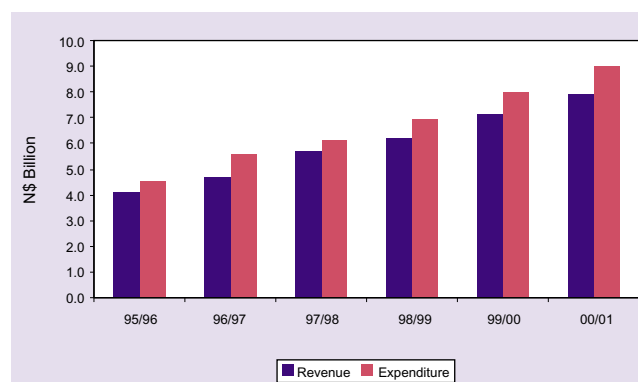
Total expenditure in the 2000/01 revised budget amounted to N\$8.8 billion or 9.4 per cent more than the N\$8 billion in the 1999/00 financial year. As a percentage of the projected gross domestic product (GDP), total expenditure remained almost unchanged at 41.4 per cent in 1999/00 as compared with 41.5 per cent in 2000/01. The nominal expenditure growth decelerated from 14.3 per cent in 1999/00 to 9.4 per

cent in 2000/01. The reason for this is twofold: first, is the outsourcing exercise under the vote of the Department of Transport. This is caused by the creation of the Roads Authority, the Road Fund Administration and the Road Contractor Company, which have taken over the functions of road maintenance and road construction. Second, is the government's deliberate policy of keeping a tight control on expenditure growth with the intention of reducing the budget deficit. The consolidation of certain ministries and offices has helped to reduce some expenditure.

Of the total expenditure, N\$6.9 billion was allocated to current expenditure, which accounted for 78.7 per cent of total expenditure and 32.6 per cent of GDP as compared to N\$6.8 billion or 32.5 per cent of GDP for the 1999/00 financial year. Personnel expenditure constituted 55 per cent of current expenditure and 43.6 per cent of total expenditure. The share of the other major categories of current expenditure, namely purchases of goods and services and subsidies and other current transfers accounted for 23.4 per cent and 21.1 per cent respectively.

Capital expenditure accounted for 15.1 per cent of total expenditure in the revised budget and grew by 11.5 per cent in 2000/01 compared to the previous financial year. As a percentage of GDP, total capital expenditure increased from 6.2 per cent in 1999/00 to 6.3 per cent in 2000/01. However, as a percentage of the national budget it increased slightly from 14.9 per cent in 1999/00 to 15.1 per cent in 2000/01, indicating that more resources were devoted to the capital budget.

**Chart 4.1 Total Revenue and Expenditure**

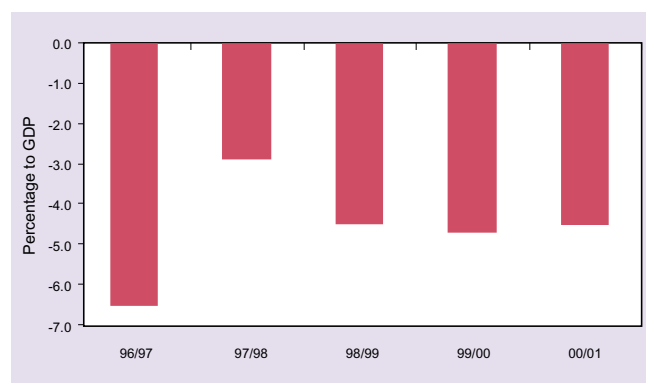


Source: MoF

## 4.2 Financing of the budget deficit

The government has made an attempt to reverse the deterioration in fiscal position over the previous years. As a result the budget deficit was brought down from 4.6 per cent of GDP in 1999/2000 to 4.5 per cent of GDP in 2000/01 fiscal year. Revised budgetary transactions for fiscal year 2000/01 resulted in an overall budget deficit of N\$943 million. The government used cash reserves, net issues of government bonds, net issues of treasury bills and net foreign loans to finance the deficit. About 29 per cent of the budget deficit will be financed by the withdrawal of cash balances at the Bank of Namibia and 10.5 per cent by foreign loans. The remaining balance will be met by net issues of treasury bills and bonds.

**Chart 4.2 Budget Deficit**



Source: MoF

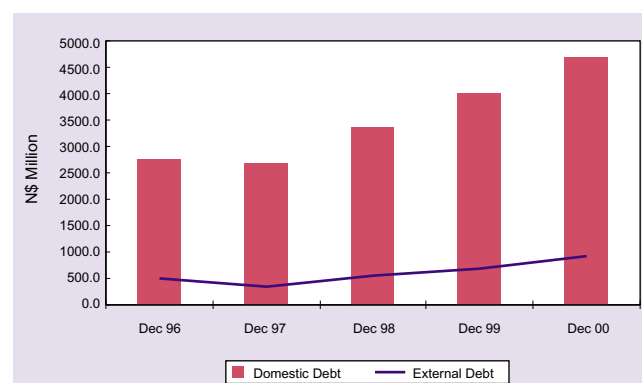
## 4.3 Public Debt

Government's indebtedness amounted to N\$5.2 billion at the end of the third quarter of the fiscal year 2000/01, representing an increase of N\$263 million or 5.4 per cent compared to the level that prevailed as at the end of the second fiscal quarter. On an annual basis, for the year ending December 2000, total outstanding government debt increased by 10.6 per cent. Of the total debt, domestic debt accounted for 82.4 per cent while the external debt accounted for

17.6 per cent compared to 86.4 per cent and 13.6 per cent at the end of December 1999.

External public debt rose to N\$909.1 million by the end of December 2000 compared to N\$752 million at the end of June 2000 and N\$687.7 million at the end of 1999. An amount of N\$822.8 million or 90.5 per cent of the total external debt has been used for capital development and the remaining 9.5 per cent for human resources development. Bilateral loans constitute 14 per cent of the total foreign debt, while 86 per cent is from multilateral creditors. The sharp increase in total external debt at the end of December is attributable to increased disbursements from the Chinese government, European Investment Bank and the Development Bank of Southern Africa. During 2000 the Development Bank of Southern Africa for the first time disbursed a loan totalling N\$31.8 million for upgrading of infrastructure in the Windhoek urban area. Over the year the credit from the Chinese government increased from N\$97.6 million at the end of 1999 to N\$118.1 million at the end of 2000, representing an increase of 21.0 per cent. During the same period credit from the European Investment Bank increased by N\$65.9 million or 77.8 per cent to N\$150.6 million. Domestic debt increased from N\$4.0 billion at the end of 1999 to N\$4.7 billion at the end of 2000, an increase of 18.7 per cent.

**Chart 4.3 Total Outstanding Public Debt**



Source: MoF

## BOX B PUBLIC EXPENDITURE MANAGEMENT

Unsustainable fiscal imbalances and inefficiencies in public expenditure management are some of the critical macroeconomic problems facing many developing countries. These have serious implications on effective and efficient public service delivery necessary for meeting long term development objectives.

To understand this process the Bank of Namibia undertook a study on public expenditure management. The study focuses on two crucial sectors - education and health. The selection of these sectors was not coincidental; it is for two main reasons. First, the two sectors combined consume just below half of the total national budget. Concern has been raised in public discourse as to whether the expenditure of these sectors is justifiable given the returns. Secondly, these sectors are believed to have greater multiplier effect to the economy in the long term and eventually improve the social and economic conditions of the population. Thirdly, government has prioritised these two sectors in policy documents.

The paper examines briefly the expenditure efficiency on education and health in Namibia since independence by looking at quality, cost of input in relation to its output. This was done by examining the education and health votes in their totality for the period 1990-2000 and by expenditure type and comparing it to relevant indicators.

The study on public expenditure management found that:

¥ Namibia's educational system appears to be financially burdensome, accounting for over 10 per cent of GDP and about 24 per cent of total public

expenditure in 1999. This is quite a substantial amount bearing in mind that low-income countries spend on average 13 per cent of their national budget on education.

¥ The rate of grade repetition in Namibia is as high as 25 per cent compared to an average of about 5 per cent for countries such as Zimbabwe, Mauritius and Botswana. Such a proportion of repetition is burdensome on the already higher operating costs of educational provision. This further reduces the efficiency of the education system.

¥ Analysis of expenditure on education by type reveals, that on average 92.3 per cent of total expenditure was spent on current expenditure and the residual of 7.7 per cent was for capital expenditure. Personnel costs on education, which mainly include management staff and teachers' salaries, accounted on average for 66.6 per cent of total expenditure on education.

¥ On the health front, health services averaged around 10.7 per cent of total government expenditure since 1991. As a percentage of GDP, the sector has increased from 3.3 per cent in 1993/94 to 4.3 per cent in 1999/2000. Expenditure on general medical clinics and public health as a percentage of total health spending rose from 48.3 per cent in 1993/94 to 57.1 per cent in 1999/2000. Looking at the social and health indicators, such as infant mortality and maternal mortality rates, Namibia fares relatively well compared to other countries in Sub-Saharan Africa. These can be attributed to government's emphasis on primary health care.

## 5. FOREIGN TRADE AND PAYMENTS

The overall balance of payments registered a surplus of N\$108.5 million in 2000 following that of N\$349.9 million in 1999. This was the result of a significant rise in the current account balance, which offset the deficit recorded in the capital and financial account balance. The current account recorded a surplus of N\$1,339.2 million in 2000 due to strong growth in current transfers, which was partly offset by the deficit in the merchandise trade account. The capital and financial account on the other hand recorded a deficit of N\$1,155 million in 2000 which was largely due to an increase in long-term capital outflows.

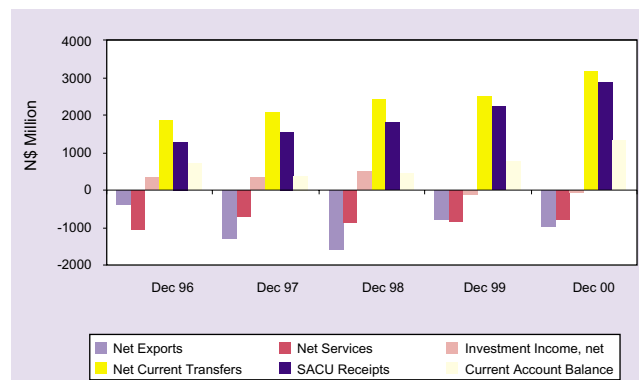
### 5.1 Current Account

During the 2000, exports increased by 20.4 per cent to reach N\$10.1 billion as compared with an increase of 26.1 per cent in the previous year. Exports were boosted by a strong rise in the value of primary commodities, especially diamonds and beef. Manufactured exports, consisting mainly of fish products which increased by 6.3 per cent during 2000 as compared with an increase of 4.0 per cent in the previous year also added to a high growth in exports. The value of diamond exports increased from N\$3.6 billion in 1999 to reach N\$4.8 billion in 2000 representing a growth of 35.3 per cent. This resulted from an increase in the volume of diamonds marketed of 6.6 per cent and the increase in diamond prices on the international market of 28.2 per cent. Export earnings from the agricultural sector were also strong during 2000. The performance in this sector was supported mainly by the significant increase in the value of beef exports to the European Union. Beef exports increased by N\$26.1 million during 2000 as compared to N\$156.3 million in the preceding year. The better international prices and increased demand for beef in the European Union lay behind the good performance of beef exports during the last two years.

Imports increased from N\$9.2 billion in 1999 to N\$11.1 billion in 2000, representing a growth of 20.5 per cent. Hence, the growth in the value of imports exceeded that of exports by a 0.1 percentage point.

Strong growth in merchandise imports resulted in the widening of the deficit in net exports to reach N\$1.0 billion in 2000 compared with N\$0.8 billion in 1999 (chart 5.1).

**Chart 5.1 Current Account Components of Balance of Payments: 1996-2000(p)**



(p) provisional

The largest components in imports were food, beverages, machinery and transport equipment, with South Africa accounting for 85 per cent of the total value. Namibia's major export markets in 2000 remained the European Union, particularly the United Kingdom, France and Spain, which as a group accounted for about 60 per cent of the total value of exports.

The deficit on the service account narrowed to N\$778.4 million in 2000 from N\$826.6 million in 1999 (chart 5.1). The major factors contributing to the lower deficit on services include the absence of expenditures on Y2K related problems and the rise in the receipts from business travel.

Net investment income registered an outflow of N\$69.6 million in 2000 compared to an outflow of N\$103.6 million in 1999. This net outflow came mainly from the reduction in income from pension funds and life assurance assets invested in South Africa, which were more than offset by payments to direct investors in Namibia. There has been a reduction in income from the pension and life assurance assets invested in South Africa since the implementation of the regulation 28, which requires institutional investors to keep at least 35 per cent of their assets in the domestic market.

Net current transfers increased by 26.8 per cent

in 2000 to N\$3.2 billion, mainly due to a rise in receipt from the Southern African Customs Union (SACU), which increased by 28.4 per cent as compared with an increase of 24.1 per cent in 1999 (chart 5.1). It is noteworthy that the strong rise in SACU receipts over the years has consistently absorbed the persistent deficit on the trade balance. It is, however, expected that given the global trend of tariff reduction and the implementation of the EU-SA Free Trade Agreement, there will be a gross reduction in revenue generated from SACU receipts in the years to come. In view of this, efforts towards exploring alternative sources of revenue to avoid possible slippages in the position of the budget assume paramount significance in years ahead. On the other hand, inflows from foreign development assistance (FDA) declined by an estimated 14.9 per cent in 2000 compared to a decline of 9.8 per cent in the previous year.

## **5.2 Capital and Financial Account, and International Reserves**

During 2000 the capital and financial account recorded a deficit of N\$1,155.1 million as compared with a deficit of N\$280.9 million in 1999. Responsible for this was an outflow on long-term investment capital of insurance companies and pension funds of similar magnitude. In addition smaller aid funds, especially those directed to capital projects contributed to the deficit in the capital and financial account.

Net capital transfers, which is aid directed to projects of capital nature declined to N\$51.6 million in 2000, compared to N\$140.0 million in 1999 and N\$251.7 million in 1998, the year in which it recorded its best performance ever. The fall was mainly due to reduced aid to government as disbursements for some major projects such as rural water supply and school upgrading declined compared to disbursements in previous years. Aid to Namibia is expected to fall as most projects are approaching completion. Although most industrial countries are reducing aid to developing economies, countries such as Germany, Sweden, EU, USA and Norway remained committed to provide aid to Namibia.

During 2000 direct investment into Namibia

increased by 15.6 per cent to N\$785.4 million as compared with an increase of 10.7 per cent in 1999. The main contribution to direct investment came from retained earnings, which recorded an increase of N\$600.0 million during 2000 as compared with an increase of N\$622.3 million in the previous year. The component equity capital contributed N\$133.7 million to the increase in direct investment over the year.

Net outflows on portfolio investment increased substantially from N\$30.2 million in 1999 to N\$298.0 million in 2000. Portfolio investment was dominated by purchases of South African unit trusts, which increased from N\$104.1 million in 1999 to N\$395.9 million in 2000. In addition, the inflow from the redemption of these assets fell to N\$117.6 million in 2000 compared to N\$181.0 million in the previous year.

The most important component in Namibia's capital and financial account is other long-term investment, which is affected in particular by transactions of pension fund and life assurance corporations. During 2000 outflows of pension funds and life insurance increased to N\$1,350.7 million as compared with an outflow of N\$668.2 million in the previous year.

During 2000, the outflow of the category other short-term investments declined moderately to N\$352.9 million from N\$413.3 million in 1999. The outflow on this category is mainly attributable to commercial banks, which increased their foreign assets by N\$875.5 million to N\$1,753.3 in 2000. However a sharp recovery in domestic credit demand during the second half of 2000 caused commercial banks to reduce their net foreign assets position by increasing their foreign liabilities, leading to an increase in of N\$562.7 million in their foreign liabilities over the year as compared with a reduction of N\$262.5 million in the previous year. As a result of the aforementioned developments, commercial banks in 2000 recorded a net outflow of N\$312.8 million as compared with an outflow of N\$591.9 million in 1999. The total outflow of short-term investments was supported by an increase in short-term assets of other sectors of N\$77.1 million.

**Table 5.2 International Reserves and Import Cover**

	1995	1996	1997	1998	1999	2000 <sup>(p)</sup>
Level of reserves in N\$ million (as at 31 Dec of each period)	808	906	1 219	1 527	1 877	1 985
Percentage Change	-	12.1	34.5	25.3	22.9	6.6
Import cover in weeks (of merchandise goods and services)	5.6	5.2	6.4	7.4	8.7	9.3

(p) provisional

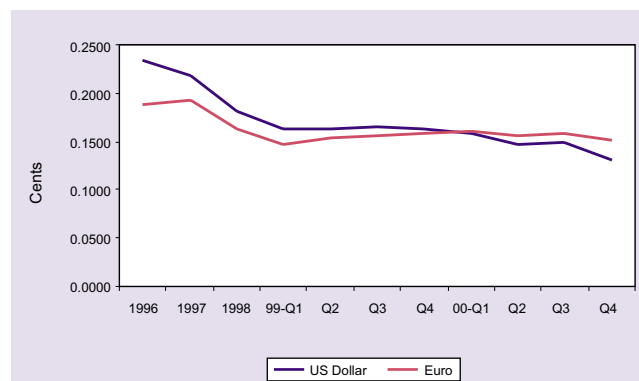
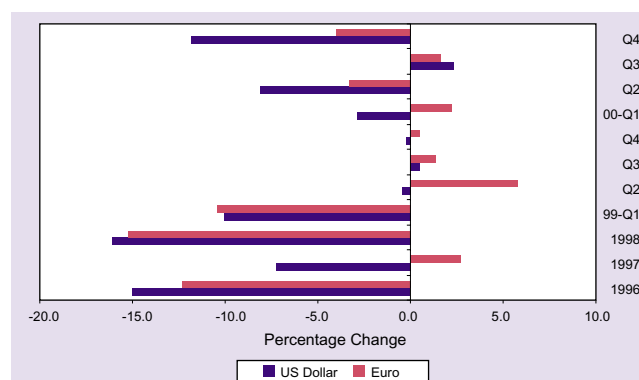
Taking into account all the transactions of the balance of payment, both on the current and the financial account, the overall balance increased by N\$108.5 million in 2000 (table 5.2). The country's official reserves, therefore, rose by the same amount to reach a level of N\$2.0 billion as at the end 2000. This level represents 9.3 weeks of imports of goods and services as compared with 8.7 weeks in 1999. However, if one considers the situation in Namibia, where most of the trade is financed through commercial bank foreign assets, the addition of their foreign assets to official reserves changes the picture completely. If the net foreign assets of commercial banks is added to the official reserves, the reserves level increases to N\$2.7 billion.

### 5.3 Exchange Rates

The stability of the external value of the Namibia dollar against major currencies was disturbed in the first half of 2000 (chart 5.2). The external value of the Namibia dollar against the US dollar and Euro show the same pattern since 1997, though it did not depreciate against the latter as it did against the former in the first quarter of 2000. After trading at a twelve month average of N\$6.1096 and a nine month average of N\$ 6.1087 per US dollar for 1999, the external value of the Namibia dollar declined to an average of N\$ 6.6037 per US dollar in the first nine months of 2000. Compared with the same period of 1999, the average for nine months in 2000 represents a depreciation of 7.5 per cent.

The twelve-month average for the Namibia dollar for 2000 stood at 6.8686 representing a depreciation of 12.4 per cent over the year. However, it is important to note that in the first nine months of 2000, the external value of the Namibia dollar against the US dollar underwent depreciation during the first two quarters and this was followed by an appreciation

and depreciation in the third and fourth quarters, respectively (chart 5.3). The depreciation was mainly caused by the appreciation in the external value of the US dollar that gained momentum against most other major currencies in the international currency market and the investor concerns in the global financial markets about Sub-Saharan Africa partly as a result of the crisis in Zimbabwe. However, this downward pressure in the external value of Namibia in the first half of 2000 did not continue in the third quarter. A recovery in the external value of the currency came about mainly because of the return of business confidence in Sub-Saharan Africa and the weakening in the value of the US dollar against other major international currencies.

**Chart 5.2 Foreign currency per Namibia dollar: 1996 to 2000****Chart 5.3 (-) Depreciation (+) Appreciation in NAD: 1997 to 2000**



## 5.4 Regional Integration

SACU re-negotiations continued throughout 2000. Significant progress has now been made with regard to revenue sharing and SACU institutional reform. SACU Ministers of Finance agreed in principle to the new revenue-sharing formula in September 2000. Implementation of the new formula is set for 2001/2002.

Issues still unresolved on SACU institutional reforms include the location of the proposed SACU Secretariat, the size and composition of the proposed SACU Council of Ministers and the relationship between the independent tariff-setting function of the secretariat, the Council of Ministers, the SACU Commission and member states.

The SADC Trade Protocol, which aimed at establishing a Free Trade Area within 8 years was implemented on September 1 2000 with a view to eliminating all tariffs and other trade barriers in the region over the next 12 years. However, there are still outstanding issues related to the differences over clothing and textile sectors.

The Common Market for Eastern and Southern Africa (COMESA) kicked off its Free Trade Area (FTA) on October 31, the first of its kind on the African continent. So far nine countries, Djibouti, Egypt, Kenya, Madagascar, Malawi, Mauritius, Sudan, Zambia and Zimbabwe have taken part in the first wave of the 21-country body. Seychelles will join the FTA on June 2001, while six other members, including Burundi, Comoros, the Democratic Republic of the Congo, Eritrea, Rwanda and Uganda, have reduced their tariffs by between 60 and 80 per cent for their future entry.

Namibia and Swaziland have been granted exemption from the principle of reciprocity. As the first step toward full regional integration and a common currency by the year 2025, the establishment of the FTA will ensure free movement of goods and services produced within the FTA countries. It is hoped that the FTA will spur the growth of cross-border trade and investment both within and outside the region.

On the international trade front, major developments took place during the period under review. These include the signing of the new ACP-EU Partnership Agreement, known as the Cotonou Agreement, which succeeded the Lomé Convention. This Agreement was signed in Cotonou, Benin in June 2000. It gives fresh impetus to the relations between Europe and its partners in the ACP countries over the next 20 years.

Another development was the enactment of the Africa Growth and Opportunity Act by the US in May 2000. The seeks to extend trade benefits to nations in Africa, the Caribbean and Central America by providing duty free entry for certain African goods when entering the United States market, provided certain requirements including respect for human rights and democracy are met.

With regard to regional monetary and financial co-operation, the Bank of Namibia attended and participated in a number of meetings, particularly those of the Committee of Central Bank Governors (CCBG) in SADC as well as the Common Monetary Area. These meetings were held to discuss issues related to the development of well managed financial institutions and markets, co-operation regarding international and regional financial issues and monetary and foreign exchange policies. Specific issues discussed in the CCBG meetings include the impact of exchange controls on the cross-border movements of goods, services and capital, the harmonisation of the legal and operational frameworks of SADC central banks, co-operation in the areas of protective services and training, issues related to payment, clearing and settlement systems and the development of money and capital markets in the SADC region.

To enhance transparency and improve consultation with regard to monetary and exchange rate policy, the Bank has been attending the quarterly meetings preceding the meetings of the Monetary Policy Committee (MPC) of the South African Reserve Bank (SARB). At these meetings, CMA member countries provide updates on recent economic developments in their countries as inputs in the monetary policy decision-making process.

## BOX C PARADIGM SHIFT IN THE PHILOSOPHY OF EXCHANGE CONTROL

The intensity of exchange controls has considerably softened over the last number of years. During the thirty years up to 1993, exchange control was significantly expanded and intensified, mostly as a result of worsening political situation in South Africa. Some of the more extreme controls introduced to arrest capital flight, included blocking outflow of foreign investments, introducing a dual exchange rate regime and a debt standstill arrangement.

With the introduction of major social and political reforms in South Africa in the early nineties, a comprehensive system of exchange control was still in existence. These were aimed at controlling certain current account transactions, curbing the outflow of both resident and non-resident investment funds, and attracting foreign investments through the financial Rand mechanism.

It was realised, of course, that these controls introduced many distortions into the economies of the CMA. Interest rates, the exchange rate, financial assets and property prices, and even production costs in the respective economies were affected by the comprehensive array of exchange controls. The new Government in South Africa had to decide between the "big bang" and 'gradualist' approach to the removal of exchange control and opted for the latter.

Since then, the exchange control authorities of the CMA jointly started a gradual process of dismantling such controls. Today, all CMA member countries enjoy Article VIII status at the IMF, signifying that these countries have no control over current transactions. The only controls that still exist are those over capital transactions of residents.

The changing face of exchange control within the CMA has also justified the review of the entire approach to exchange control, administrative procedures and the underlying legislation governing these controls.

In collaboration with the other CMA central banks, namely the South African Reserve Bank and the Central Banks of Lesotho and Swaziland, the Bank

has embarked on a new approach for the management of exchange controls and collection of data for all cross-border transfers. This new approach, labeled the paradigm shift in the philosophy of exchange controls, is a significant departure from the former authoritarian approach to managing and controlling foreign transactions.

Whereas the existing approach was to outlaw all foreign transactions and then to introduce deviations from these rules, the new approach will be to allow all foreign transactions and then to disallow those where controls are still considered necessary. Moreover, the approach also changed in the sense that the emphasis now is on capturing vital statistical information on foreign transactions, compared to control functions that previously lay at the heart of foreign transactions.

As is currently the case, authorised dealers will still handle all cross-border transfers. Moreover, the new approach will also require the replacement of the current manual data collection system that is very slow, cumbersome and unreliable.

To facilitate the changeover to the new approach within the framework of the Multilateral Monetary Agreement between the CMA member countries, the Bank of Namibia has started with the groundwork to make the envisaged transformation as smooth as possible. Some of the activities the Bank is currently undertaking and those still to follow, are the following:

### Foreign Financial Transactions Act

A Committee consisting of Officials of both the Bank and the Ministry of Finance is currently reviewing the existing exchange control legislation and drafting new statutes for cross-border payments. The current exchange control legislation consists of the Currency and Exchanges Act, 1933, the Exchange Control Regulations, 1961, the Orders and Rules under the Exchange Control Regulations and the Exchange Control Rulings issued by the central banks to authorised dealers in foreign exchange. The future legal structure envisioned is for the current Currency



and Exchanges Act, 1933 and the Regulations to be become part of the new Foreign Financial Transactions Act. Most of what is currently incorporated in the Rulings along with the new reporting requirements on cross-border transactions will form part of the new Regulations. This structure will result in both the new Act and the new Regulations to be tabled simultaneously, which will hopefully bring about greater transparency to the process, while also considerably reducing the volume of legislation. Guidelines to authorised dealers both in respect of exchange control and reporting will be issued as administrative procedures over and above the regulations. The new Act is expected to be tabled in Parliament within the next 18 months.

### **Exchange Control Regulations**

As the work on the draft Foreign Financial Transactions Act is now at an advanced stage, work has also started on drafting new Exchange Control Regulations that will replace the existing Exchange Control Regulations, 1961.

### **Exchange Control Rulings**

More user-friendly and perhaps more positively inclined Rulings to be styled Exchange Control Guidelines, will replace the current Exchange Control Rulings. Unlike the existing Rulings that prohibit all cross-border transfers except those that are provided for in the Rulings, the new Guidelines will contain very few transfers that, for the time being, still need to be controlled and/or recorded. In other words, the bulk of the transfers will not be controlled and, therefore, will not feature in the Rulings.

Furthermore, since the Guidelines will be based on the provisions of the new Exchange Control Regulations, work on the new Guidelines will only commence once the Exchange Control Regulations are finalised.

### **Reporting System**

With the introduction of new legislation and the further liberalisation of exchange control, a valuable source of statistical data is lost that is important for, amongst others, balance of payments compilation and national debt management. For this reason, a new foreign exchange information reporting system is being designed to ensure that vital statistical data is captured. The design of the new reporting system for all cross border transfers has commenced and will replace the current outdated system. The current manual system is slow and, since it is paper-driven, lends itself to human error and abuse.

It is envisaged that the new reporting system will electronically connect all authorised dealers in foreign currencies with the Bank to transmit data on foreign transactions instantaneously. Thus, all submissions and other communications between the Bank and the Authorised Dealers will be direct on-line and will be based on internationally accepted reporting standards.

Additionally, the new system will also replace the cumbersome forms that are currently being used for collection of data for the compilation of balance of payments statistics. Once the new system is implemented, balance of payments data would be readily available on line if and when it is needed.

Finally, the Bank is forging ahead with the process of gradually liberalising exchange controls. During the period under review, the Bank issued about twenty circulars liberalising identified exchange control areas. More areas for future liberalisation have been identified and these will be debated with other CMA members within the consultative framework of the Multilateral Monetary Agreement.

# **PART B**

# **BANKING SUPERVISION**

## 6. REPORT ON BANKING SUPERVISION AND THE REGISTRAR'S REPORT ON THE BUILDING SOCIETY

### 6.1 Overview

The year 2000 was characterised by significant progress in the banking supervision function of the Bank of Namibia. In carrying out its role to develop and promote a sound, stable and progressive banking system, the Bank continued to further strengthen its supervisory capacity by, for instance, assessing its compliance with the 25 Core Principles For Effective Banking Supervision as required by the Basle Committee on Banking Supervision. The Bank initiated the process of addressing the weaknesses it identified in the Namibian banking sector in order to ensure full compliance with these principles. Since the endorsement of these Core Principles in 1998, they have become the global standards for prudential regulation and supervision.

### 6.2 Industry and Regulatory Developments

Time and again, it has been clearly demonstrated in some countries that weaknesses and deficiencies in banking supervisory regimes, whether real or perceived, present opportunities for the emergence of all sorts of undesirable financial practices including illegal deposit-taking schemes. In this respect, Namibia has not been spared and has experienced a number of undesirable activities including pyramid schemes. Variations of pyramid schemes abound and are often established with the express aim of circumventing the law. Some schemes have recently made their way onto the internet. Others come styled as savings certificates to entice investors.

It was through the swift action of the Bank that pyramid schemes were prevented from penetrating deeply into the finances of the public, particularly the hard earned savings of lower income groups. The promptness and decisiveness of the Bank in dealing with these pyramid schemes was well publicised and sent out a clear message to others thinking of

operating similar schemes that the Bank is committed to ensuring the integrity of the financial system and will not tolerate any disruption to its orderly development. In addition, the raids conducted by the Bank's supervisors on these schemes also served to contribute to public awareness of the danger of investing with 'get rich quick' schemes.

During the year under review, the number of authorised financial institutions under the supervision of the Bank remain unchanged. Five commercial banks (Bank Windhoek, City Savings and Investment Bank, Commercial Bank of Namibia, First National Bank of Namibia and Standard Bank Namibia) and one building society, SWABOU, account for Namibia's banking industry.

Significant changes occurred in the shareholding structure of one of the banks, namely City Savings and Investment Bank (CSIB). Namibian Harvest, a Namibian investment company, became the controlling shareholder after acquiring Bank Industri and Teknologi Malaysia Berhad's (BIMB) and City Savings and Investment Banks Holding's (CBH) shares in the bank.

Further developments in the banking industry involves the upgrading of the information technology systems, with two of the banks planning to introduce systems that would allow them to introduce internet banking. In addition, some banks have already moved towards developing their own systems that would increase their control over the IT systems without necessarily having to rely on the South African network. This is a welcome development as the future of banking, particularly in a globalised world depends largely on competitive IT systems.

In terms of branch network, the number of branches have reduced from 127 in 1999 to 122 in the year 2000. Most branches were apparently closed as a result of high cost of maintaining those branches, particularly those in Arandis, Okakarara, Henties Bay and Kuisebmund. Two branches were however opened at Katima Mulilo and Katutura by one of the banks during the same period. On the employment front, the industry increased its employment levels by

135 to 3125 personnel during the period under review, despite the closure of some agencies.

### 6.3 On-site Examination Activities

During the year under review, the Bank Examinations Division carried out a series of limited scope examinations to provide supervisory assurance on the financial condition and soundness of Namibia's banking system.

These examinations, which were carried out in collaboration with off-site surveillance operations, focused mainly on the appraisal of lending portfolios, non-performing loans, deposit concentrations, capital adequacy, management quality, earnings capacity, and compliance with statutory requirements.

Due to the stability in interest rates that prevailed during the year under review, there was an improvement in asset quality in the examined banks compared to the previous year. Attention was therefore focused on assessing of the overall banking risks to ensure prudent and sound banking practices.

In addition, the bank examinations focused more attention on the aftermath of the Y2K problem during the beginning of the first quarter. However, the banking system experienced a smooth transition into the Year 2000. The after-effects associated with the Year 2000 did not adversely affect confidence in the banking system.

Apart from the on-site examinations of banking institutions during the year under review, the examiners had to contend with, and respond expeditiously to, the sudden increase in pyramid schemes. During the course of the year, the financial system experienced a rapid mushrooming of pyramid schemes, which are illegal in term of the provisions of the Banking Institutions Act (Act 2 of 1998). Following the discovery of these schemes, the Bank secured a court order to conduct a search on the business premises of persons/businesses which were believed to be engaged in illegal deposit-taking activity. The aim of the examination was to establish a possible violation of Section 5 of the Banking Institutions Act (Act 2 of

1998), which provides that no person shall conduct a banking business unless that person has been registered as a bank. As per the court orders, the businesses were required to cease operations and surrender their monies, records and documents to the examiners and bank accounts were simultaneously frozen. Upon conclusion of the examination, the matter was referred to the police for further action.

In addition, in view of the rapid mushrooming of pyramid schemes, the Bank issued a press statement on 21 July 2000 to warn the public about the legal and adverse implications of indulging in pyramid schemes. The press statement yielded successful results, as the public became aware of the problem and are desisting from engaging in similar illegal activities. The awareness is measured by numerous inquiries received from the public concerning the status of other similar activities in terms of banking laws.

For the last two to three years examinations have mainly been carried out in and around Windhoek. However, the Bank managed to carry out a series of examinations on the branches of the banking institutions in other areas outside Windhoek. This process will be intensified during next year in accordance with the Bank of Namibia on-site examination strategy

### 6.4 Performance of Banking Institutions

#### 6.4.1 Asset Growth

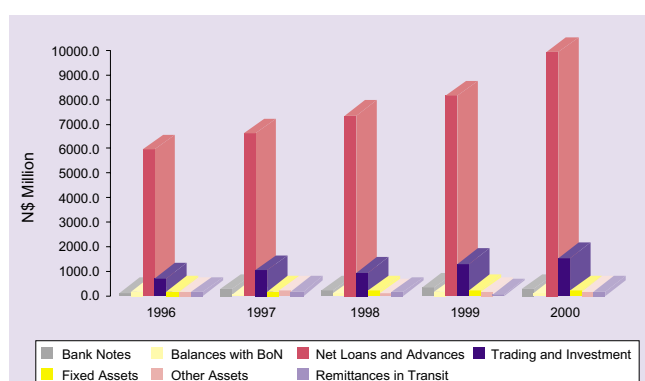
Aggregate assets of the banking sector stood at N\$12.4 billion on 31 December 2000, compared with the amounts of N\$10.3 billion and N\$9.0 billion at end of 1999 and 1998 respectively. The growth in the banking sector's total assets increased from 14.6 per cent in 1999 to 20.3 per cent in 2000 (14.7 per cent in 1997 and 6.2 per cent in 1998). On a quarter-by-quarter basis, the growth in total assets remained subdued at an average of 2.4 per cent per quarter during the first three quarters of 2000, but peaked at 12.0 per cent in the fourth quarter, compared with the quarterly growth in the previous year.

This modest growth appears to have been

caused mainly by lower currency holdings, which recorded a decline of 17.2 per cent to N\$1256.8 million during the year. This is ascribed to banking institutions holding high amounts of cash (N\$310 million) at the end of 1999 to meet cash withdrawals in anticipation of the Y2K millennium problem. Since then, banks have reduced their holding of cash to more reasonable levels. Likewise, bank deposits at the Bank of Namibia declined by 8.2 per cent to N\$112.0 million during the same period.

Meanwhile, net loans and advances (net of specific provisions and interest suspended) continued to record stable growth rates, averaging about 13.7 per cent annually over the last four years. In 2000 net loans and advances constituted an average of 80.2 per cent of the total banking industry's assets, compared with the ratio of 83.3 per cent in the preceding year. However, quarterly average growth in loans and advances was higher during the year 2000, with a quarterly average growth rate of 5.2 per cent, compared with the growth rates of 2.7 per cent and 2.8 per cent in the 1999 and 1998, respectively. This demonstrates that the demand for commercial bank credit strengthened somewhat. In the last quarter of the year under review, loans and advances recorded the highest growth of 9.3 per cent, compared to growth of 2.9 per cent, 2.4 per cent and 6.0 per cent in the first three quarters.

**Chart 6.1 Composition of total commercial bank assets**



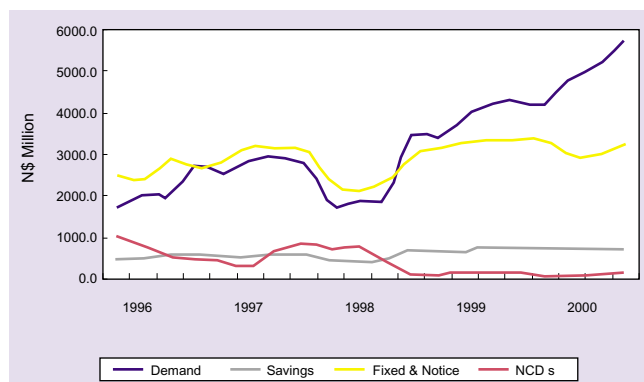
Trading and investment portfolios, consisting mainly of treasury bills and government bonds, increased by 18.8 per cent, from N\$1,292.4 million to

N\$1,537.7 million between 1999 and 2000. However, this portfolio stood at N\$1,306.4 million by the end of second quarter, the highest level ever, before falling again towards the end of the third quarter and then rose in the fourth quarter. Income from these portfolios supplements the revenue of the banks. As a share of total assets, trading and investment portfolios stood on average at 12.4 per cent in 2000, compared with an average of 10.3 per cent over the previous five years. Fixed assets constitute a smaller proportion of total assets at about 1.9 per cent, while other assets made up an average portion of 1.4 per cent during the same year.

#### 6.4.2 Funding Structure

Total funding, including capital funds, of the banking sector increased by 21.0 per cent to N\$11.9 billion in the year 2000. This compares to the preceding year when growth of 15.0 per cent was recorded. The 16.7 per cent increase in deposits and the 66.8 per cent increase in foreign funding, as well as a 21.2 per cent increase in capital funds contributed to the upward swing in total funding. Interbank funding continued to fluctuate during the year and recorded a net increase of 188.5 per cent in 2000.

Deposits, consisting of demand deposits, savings deposits, fixed and noticed deposits and negotiable certificates of deposits (non-bank funding) grew at a lower rate of 16.7 per cent during the year 2000, compared to 18.6 per cent in the previous year. The highest growth was recorded in demand deposits in the last three quarters of the year, mainly due to spending in the festive season as depositors switched their money for quick access. Fixed and notice deposits increased only in the third and fourth quarter, reflecting increased investor demand for safe liquid assets. The highest fluctuation was recorded in the growth of NCDs issued by banking institutions while savings deposits maintained relative stable growth and accounted for 7.3 per cent of total deposits. As a share of total liabilities, core deposits fell about 0.8 percentage points to about 97.0 per cent from a high of 87.0 per cent in 1996.

**Chart 6.2 Growth in deposits of commercial banks**

The sluggishness in the growth of total deposits, hampered by market interest rates, led the banking institutions to increase their foreign funding by 66.8 per cent to N\$372.4 million at year end compared to N\$223.3 million a year ago. Other borrowing recorded an annual increase of 57.2 per cent, which was brought about by the 190.4 per cent rise in the third quarter. Also, capital funds recorded an increase of 21.2 per cent.

#### 6.4.3 Capital Adequacy

Total qualifying capital<sup>3</sup> of the banking sector increased from N\$994.0 million to N\$1,175.8 million during the year under review, representing an increase of 18.3 per cent, compared to a positive change of 20.2 per cent recorded in the preceding year. The increase was mainly attributable to a 14.8 per cent increase in retained income while general reserves remained unchanged after increasing by 9.7 per cent and then decreasing by 0.7 per cent in the fourth and fifth months of the year 2000 respectively.

Tier 1<sup>4</sup> capital, so called core capital, accounted for about 89.0 per cent of total qualifying capital and the movements in this category were recorded in retained income and general reserves, while share capital and share premium remained unchanged during the year under review. The higher this ratio, the more stable, qualitative and permanent the capital base of the banking institution becomes.

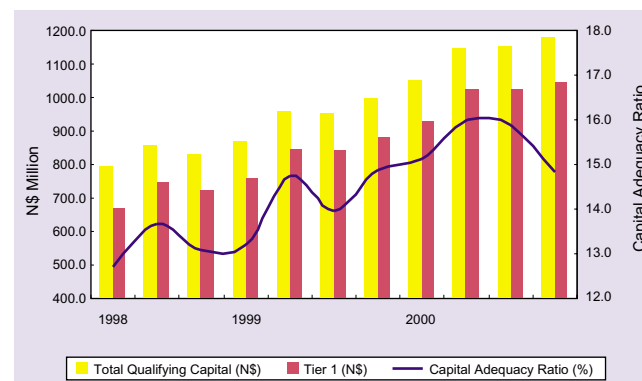
Tier 2<sup>5</sup> capital, so called supplementary capital,

<sup>3</sup> Capital that is able to participate in the bank losses.

<sup>4</sup> Comprising of: paid-up share capital, share premium, retained income and general reserves.

<sup>5</sup> Comprising of subordinated term debt, hybrid capital instruments, revaluation reserves and general provisions for bad and doubtful debts.

make up a smaller portion of total qualifying capital and increased from N\$108.0 million to N\$129.4 million during the same period. The increase in this category of capital was due to rises in general provisions, where the increase was due to a rise in the loan book.

**Chart 6.3 Capital adequacy of commercial banks**

The assets with the risk weight of 100 per cent made up the largest portion of about 50.0 per cent of total risk-weighted assets, followed by the risk weight 50 per cent with 23.6 per cent. In respect of the 0 per cent and 20 per cent weight categories, the risk-weighted assets were 14.0 per cent and 13.6 per cent, respectively. However, Tier 1 capital held by the banking industry was sufficient to support the portion of assets with 100 per cent risk weighting.

The ratio of qualifying capital to risk-weighted capital, which is a measure of capital adequacy, maintained a level well above the minimum requirement of 8.0 per cent, and stood at 14.9 per cent on 31 December 1999. This ratio was highest at 16.4 per cent on 31 July 2000, but decelerated to 14.9 per cent at the end of 2000. This is because of a lower growth in qualifying capital relative to risk-weighted assets since August 2000.

#### 6.4.4 Profitability and Earnings

For the year ending 31 December 2000, the banking sector continued to record satisfactory improvements in profitability. Year-on-year, the net income before tax increased by 32.9 per cent to N\$494.9 million, compared to a growth of 15.1 per cent and 13.2 per cent recorded in the previous two years. The highest growth in net income was realised in the second quarter of the year, with an increase of 31.6



per cent, while the third quarter recorded a lower growth of 9.8 per cent. The first and last quarters of the year posted negative growths of 18.2 and 2.0 per cent, respectively.

The improvement in the overall profitability of the banking sector is attributed mainly to the following factors:

- ¥ Low and stable interest rates had an impact on provisions charges, which decreased by 34.1 per cent during the year (19.2 per cent in the previous year), following considerable improvements in the loan quality of the industry;
- ¥ Increased transaction volumes led to higher fee income, which increased the level of non-interest income;
- ¥ The volatility of foreign exchange rates led to higher exchange rates gains by banking institutions and this led to an increase in trading income.

Quarter-on-quarter comparisons indicate that charges for provisions against income was highest at N\$32.5 million in the first quarter but declined to N\$27.7 million in the fourth quarter. Such a movement is in tandem with the decrease in the market interest rates, since at higher interest rates, non-performing loans increase and prompt higher provisions. Thus, good performance from most banking institution's loan books contributed significantly to the profitability of the industry.

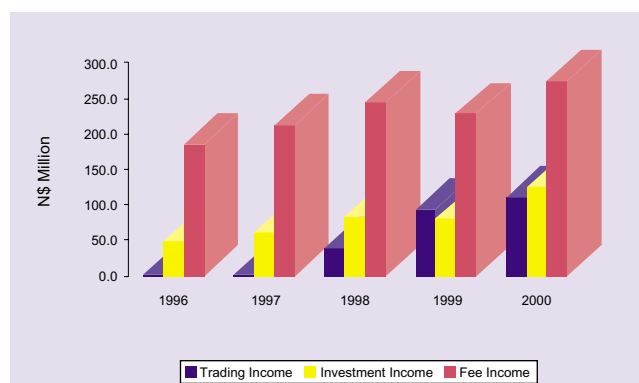
The general decline in interest rates led to a marginal decrease in both interest income and interest expenses. As a result, net interest income for the year

declined by 6.4 per cent to N\$514.4 million. Correspondingly, industry's net interest margin (NIM) fell by 0.6 percentage points to 5.9 per cent. The highest NIM of 6.8 per cent was recorded in 1998 and this was mainly due to higher interest rates experienced during the latter part of that year.

Non-interest income, derived mainly from trading and investment portfolios as well as other banking fees, contributed significantly to the profitability of the banking sector, with a net increase of 27.2 per cent during the year under review, as follows:

- ¥ Trading income rose by 11.0 per cent to N\$102.6 million, compared with a growth of 139.3 million in the previous year;
- ¥ Investment income grew by 54.5 per cent to N\$122.9 million, compared with negative growth of 4.5 per cent in the previous year; while
- ¥ Fee-based income increased by 14.4 per cent to N\$260.7 million, and accounted for the biggest share of non-interest income of 53.6 per cent.

**Chart 6.4 Growth in non-interest income of commercial banks**



**Table 6.1 Aggregate income statement for the banking sector (N\$ million)**

Year-end	Dec 96	Dec 97	Dec 98	Dec 99	Dec 00
Interest income	1,148.8	1,364.7	1,521.1	1,484.8	1,345.8
Interest expenses	763.6	891.2	981.0	907.5	731.3
Net interest income	385.2	473.5	540.2	577.3	614.4
Other operating income	234.4	274.8	365.6	399.8	508.8
Other expenses	307.0	346.1	403.7	464.9	537.5
Provisions	88.2	116.4	173.0	139.8	90.8
Net income before tax	224.6	285.9	329.0	372.4	494.9

**Table 6.2 Key profitability ratios %**

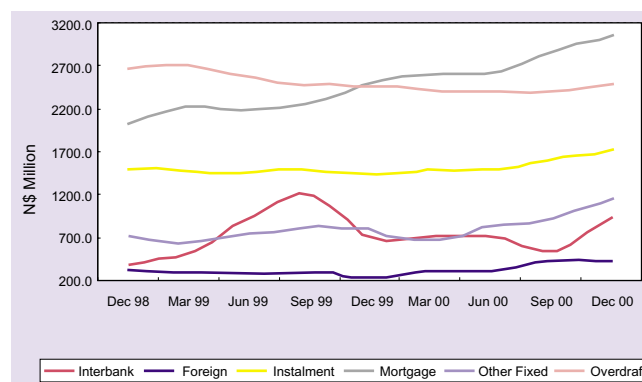
	Dec 97	Dec 98	Dec 99	Dec 00
Return on assets	3.6	3.8	3.9	4.4
Return on equity	48.1	44.3	40.3	44.0
Net Interest Margin	6.6	6.8	6.5	5.9
Net Interest Spread	6.8	6.4	5.8	5.4
Cost-to-income ratio	46.2	44.6	47.6	47.9

Non-interest expenses increased by 15.6 per cent compared to 15.2 per cent in the previous year. Personnel expenses and occupancy expenses grew by about 16.6 per cent, while director fees remained relatively small at about N\$865,000.

The return on assets (ROA) rose by 0.5 percentage points to the highest level in four years of 4.4 per cent after having been depressed mainly due to high provision charges in previous years. Return on equity (ROE) peaked to reach a level of 44.0 per cent after a steady decline since 1996.

The cost-to-income ratio remained relatively the same during the year but it still remained relatively low, compared to an international norm of 60.0 per cent. This is so because both income and expenses increased proportionately at similar magnitudes. The increase in expenses was mainly due to staff expenses, whilst the increase in income was due to other income categories. The number of personnel employed in the banking industry increased from 2,868 at December 1998 to 3,101 as at 31 December 2000.

growth in installment debtors (16.4 per cent), mortgages (29.0 per cent) and overdrafts (23.8 per cent). Overdrafts, mainly to individuals, decelerated by 4.1 per cent in the first three quarters of 2000, but peaked towards the end of the year due to high demand for personal loans in the festive month of December and January. Overdrafts accounted for about one quarter of total loans and advances. The other loan types that accounted for a larger proportion of total loans and advances are installment debtors (16.7 per cent) and mortgage loans (29.9 per cent).

**Chart 6.5 Growth in loans and advances**

## 6.4.5 Credit Risk

### 6.4.5.1 Gross loans and advances

The growth of gross loans and advances to both private and public sector recovered in the fourth quarter of 2000 after it had experienced a depression in the first three quarters of the year. On an annual basis, gross loans and advances grew by 15.0 per cent compared to 12.9 per cent in 1999. In absolute terms, loans and advances grew from N\$9.1 billion in 1999 to N\$10.4 billion in 2000. This growth is due to

Growth was experienced in the housing market with mortgage loans maintaining a steady increase notwithstanding rising mortgage rates (during late 1998). This is due to high demand for properties, mainly in urban centres, and also due to the proclamation of new towns and villages where property development is increasing. Interbank loans continued to experience fluctuations, which are caused by transfers of cash between local banking institutions as well as between local banking institutions and their South African-based holding companies to meet and to manage daily liquidity.

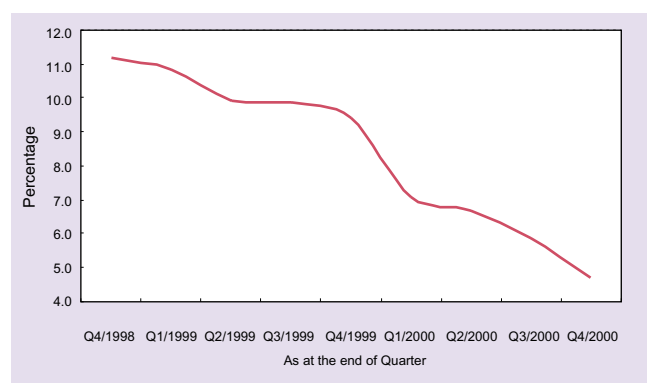


#### 6.4.5.2 Non-performing loans

Consistent with the fall in interest rates experienced in the second quarter of 1999 and the first quarter of the year under review, the level of non-performing loans (NPL) continued to decline. NPL fell from N\$854.6 million at the end of 1999 to N\$491.0 million at the end of 2000. As a result, provisions charges also fell dramatically thus contributing positively to the profitability of the banking sector.

The NPL ratio (ratio of NPL to gross loans) fell from the double digit figure of 11.2 per cent in the last quarter of 1998 to 9.4 per cent at end of 1999 and further to 4.7 per cent at the end of 2000, the lowest NPL since 1998. The high NPL ratio in 1998 was associated with high interest rates, which left many borrowers defaulting on their repayments. As interest rates stabilise, and banking institutions adopt and maintain more stringent lending policies, the loan quality should improve further in the year ahead leading to even lower NPL ratios.

**Chart 6.6 NPL ratio**



Non-performing loans in respect of overdrafts was high in the first quarter of the year, but maintained

a decreasing trend up to the year end. This trend could be attributed to high levels of default by borrowers in the early months of the calendar year, following high spending during the Christmas festive season. The fall in interest rates only filtered through in the fourth quarter of 1999 when the NPL ratio for overdrafts started to decline from 24.1 per cent to the current ratio of 10.5 per cent. During the year 2000, the ratio stayed above 15.0 per cent, compared to over 23.0 per cent in 1999, but decreased gradually throughout the year. Other loan types experienced relatively lower NPL ratios, as shown in table 6.3.

#### 6.4.5.3 Provisions for bad debts

The growth in total provisions slowed to 5.3 per cent during the year 2000 compared with an average rate of 11.5 per cent in the previous year. In absolute terms, total provisions grew from N\$495.0 million to N\$520.9 million. The increase in total provisions was mainly due to increased statutory and general provisions, which grew at an average annual rate of 15.9 per cent during 2000. This increase is in line with the general increase in gross loans and advances.

As a result of improved asset quality, specific provisions fell from an average amount of N\$256.9 million in 1999 to an average amount of N\$225.3 million. This represents a decrease of 12.3 per cent over the year. The provisions' cover increased to over 105.9 per at the end of 2000. The above situation indicates that banking institutions provide adequately for the non-performing accounts. The increase in the suspended interest account was less than the increase reported in the previous year. Such diminishing growth is still in line with the fall in NPL accounts.

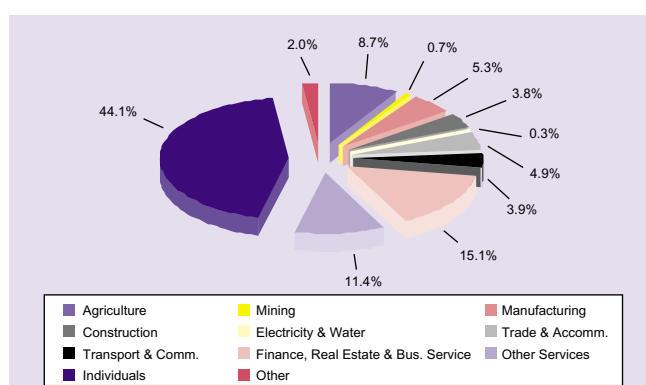
**Table 6.3 NPL ratio for major loan categories**

	Q4/98	Q1/99	Q2/99	Q3/99	Q4/99	Q1/00	Q2/00	Q3/00	Q4/00
Installment Debtors	10.0	8.2	6.4	8.8	8.6	6.9	6.4	5.7	5.3
Mortgage	5.6	5.7	5.3	5.7	4.7	3.1	3.6	3.2	2.9
Other fixed	6.7	7.6	7.1	6.2	6.0	5.7	5.9	5.4	4.4
Overdraft	22.5	22.8	23.7	24.1	22.7	15.2	14.4	13.3	10.2

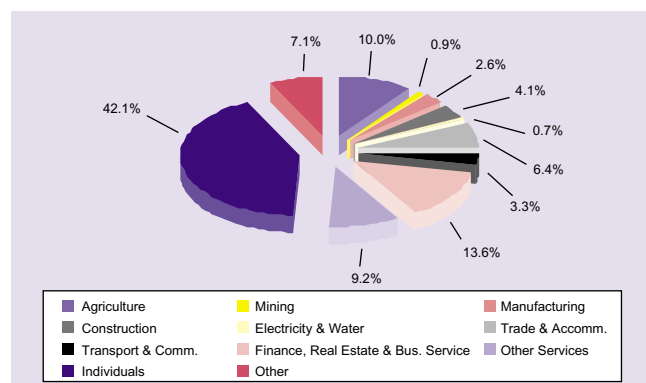
#### 6.4.5.4 Loan Exposure

The exposure of the banking sector to the mining sector was below 1.0 per cent and this is ascribed to the fact that most foreign mining companies obtain credit from their parent companies. The exposure to the electricity sector is quite small, and it decreased during the year from N\$61.5 million to N\$32.3 million, pushing the sector's share from 0.7 per cent to 0.3 per cent, still the smallest of all sectors.

**Chart 6.7(a) Loan Exposure by Commercial Bank as at 31 December 2000**



**Chart 6.7(b) Loan Exposure by Commercial Banks as at 31 December 1999**



#### 6.4.5.5 Large Exposures

Large exposures, that is to say exposure by a single borrower or group of related borrowers which exceeds 30.0 per cent of the capital funds of the banking institution, by the banking industry decreased during the year from N\$3,041.6 million to N\$2,578.7 million, representing a decrease of 15.2 per cent. The decrease in large exposures was generally due to banking institutions decreasing their large exposure

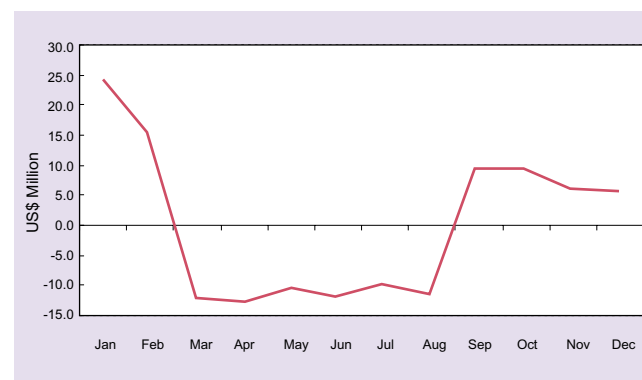
that were higher than 30.0 per cent of capital funds, in order to comply with the Determinations on Large Exposures. Consequently, the ratio of large exposures to total loans also fell from 33.5 per cent to 24.7 per cent. The aggregate outstanding amount on the large exposure accounts stood at N\$1,700.5 million at year end.

All banking institutions but one managed to keep their exposure to single borrowers or groups of related borrowers within the statutory limit of 30.0 per cent of capital funds. Furthermore, the aggregate exposure of each banking institution was within the limit of 800.0 per cent of capital funds. The status of most large exposures was current, and thus performing.

#### 6.4.6 Currency Risk

The year-on-year, net open foreign currency position<sup>6</sup> of the banking sector improved during the year from the long net open position of US\$5.0 million to a long net open position of US\$5.6 million at the end of the year. Quarter-on-quarter, the banking sector moved into the short open position of US\$14.3 million during the first quarter of the year, until the end of the third quarter when it moved into a net long position. The short net open position was maintained due to banking institutions having higher liabilities relative to assets in foreign currency.

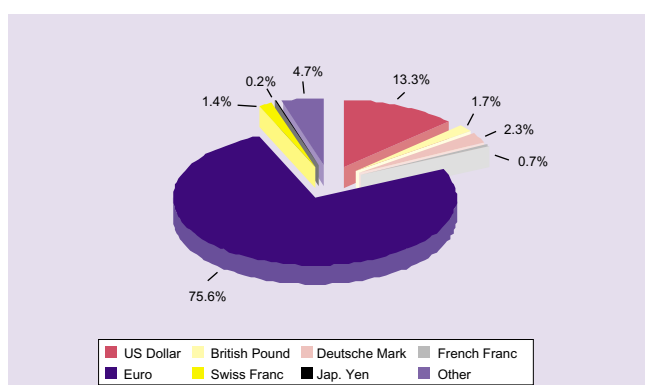
**Chart 6.8 Aggregate net open position in foreign currency of commercial banks during 2000 (as at month end)**



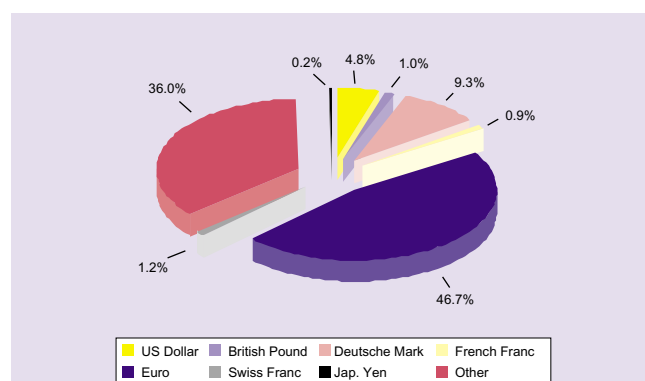
<sup>6</sup> The difference between the foreign exchange assets and foreign exchange liabilities, including commitments to purchase or sell foreign currencies.

The net open position per currency as at 31 December 2000 is shown in chart 6.9 and it illustrates that the Euro dollar was traded most, followed by the US Dollar. However, during the year the US Dollar was traded most.

**Chart 6.9(a) Net open position per foreign currency at 31 December 2000**



**Chart 6.9(b) Net open position per foreign currency at 31 December 1999**



As at the end of the year, all banking institutions' net open position was below the prudential limit of 15 per cent of their respective capital funds.

#### 6.4.7 Liquidity

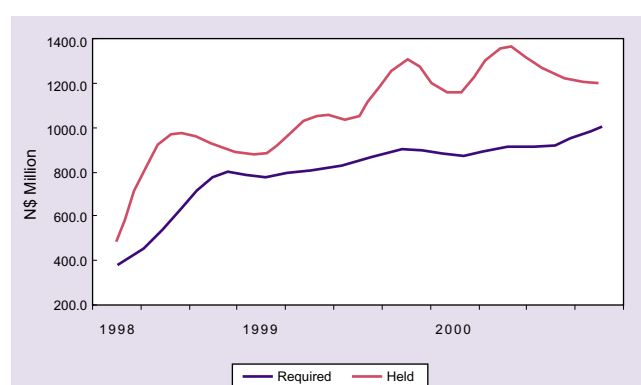
Year-on-year, the liquidity of the banking sector, as measured by the amount of statutory required liquid assets held by banking institutions, shrunk by 8.0 per cent from N\$1.3 billion to N\$1.2 billion, compared with growth of 41.1 per cent realised during 1999. The fall in liquid assets was due to:

¥ A 13.9 per cent decrease in notes and coins held by banking institutions; and

¥ A 15.6 per cent decrease in Treasury Bills.

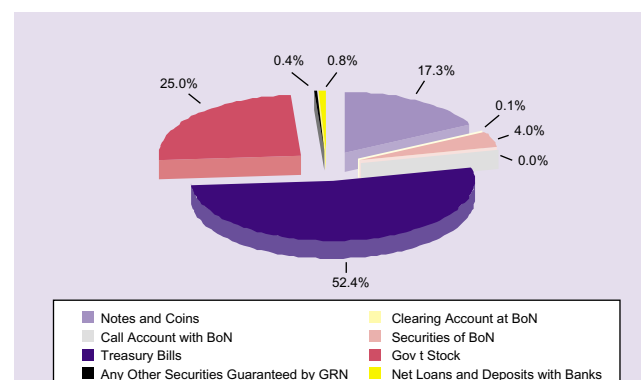
However, call and clearing accounts held by banking institutions at the Bank of Namibia recorded a significant increase of N\$14.8 million from N\$33.7 million to N\$49.2 million, mainly due to an increase in the utilisation of the call account by banking institutions. The banking sector also increased its holding of government stock by some 12.6 per cent or N\$33.6 million during 2000.

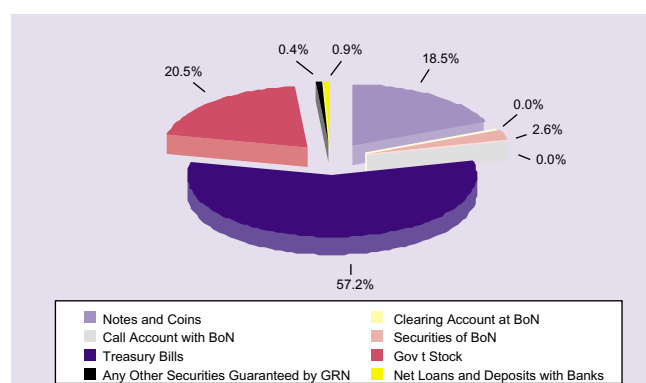
**Chart 6.10 Liquid asset requirements of commercial banks**



Treasury Bills and Government Bonds represent the largest share of total liquid assets, with respective shares of 52.4 per cent and 25.0 per cent, compared to 57.2 per cent and 20.5 per cent in the preceding year respectively. The liquid assets ratio fluctuated during the year under review from 11.1 per cent to 12.6 per cent to 11.2 per cent to 9.7 per cent in 2000. The corresponding quarterly trend for 1999 was 9.5 per cent, 10.9 per cent, 10.3 per cent and 12.7 per cent.

**Chart 6.11(a) Composition of liquid assets as at 31 December 2000**



**Chart 6.11(b) Composition of liquid assets as at 31 December 1999**

All banking institutions complied with the liquid asset requirements, and hold liquid assets in excess of the minimum statutory requirements by N\$199.9 million.

#### 6.4.8 Report on Suspended Cheque Account Facilities

In order to instill discipline on cheque account users as well as ensure that the confidence in the payment system is not damaged by cheques that are referred back to drawers due to insufficient funds, the Bank introduced the Determinations on the Suspension of Cheque Account Facilities, which compel banking institutions to suspend cheque accounts in cases where five cheques are returned to a drawer within 3 months.

The number of cheques referred back due to insufficient funds increased since the reporting period ended on 30 June 1999 from 1,820 to 5,397 as at 31 December 2000. The corresponding increase in the value of these cheques also increased from N\$5.5 million to N\$11.4 million during the same period. The above scenario involved 662 cheque accounts that

remained suspended as at 31 December 2000 compared to 226 at 30 June 1999.

#### 6.4.9 Fraud and Other Economic Crime

Fraud and other economic crimes (robberies, embezzlements, etc) continue to cause financial losses to banking institutions and this diminishes confidence in the banking system. Fraud and other economic crime increased in value from N\$7.2 million reported during 1999 to N\$29.2 million reported during 2000. Of these amounts, 16.6 per cent was lost in 1999, while the loss portion accelerated to 23.2 per cent or N\$6.8 million in 2000.

Most losses occur as a result of armed robberies at branches of the banking institutions, especially the remote areas. The other common form of economic crime is inside-assisted fraud as well as forgery of negotiable instruments, mainly cheques.

#### 6.5 Performance of Building Society

##### 6.5.1 Total Assets

The total assets of Namibia's only building society (SWABOU) increased by 19.6 per cent from N\$1,240.4 million in 1999 to N\$1,483.1 million in 2000. The increase in total assets is mainly attributable to a 20.7 per cent increase in loans and advances. The growth in total assets by the end of the review period was noticeably higher than the growth rate of 15.9 per cent recorded in 1999.

##### 6.5.1.1 Loans and Advances

During the year under review, loans and

**Table 6.4 Suspended cheque account facilities**

	30 Jun 1999	31 Dec 1999	30 Jun 2000	31 Dec 2000
<b>Banking Industry</b>				
No. of a/c s suspended	226	420	642	667
No. of cheques returned	1 820	2 589	5 204	5 379
Value of cheques returned (N\$)	5 507.47	6 162.84	14 150.43	11 379.62

**Table 6.5 Deposits by Type as at 31 December**

	1998		1999		2000	
	N\$ Million	%Change	N\$ Million	%Change	N\$ Million	%Change
Fixed	176.6	15.1	166.6	-5.7	326.9	96.2
Savings	22.6	-12.8	17.9	-20.9	14.0	-21.4
Transmission	515.4	8.0	670.1	30.0	703.9	5.1
Collateral	7.7	10.2	8.1	4.5	8.0	-1.2
<b>Total</b>	<b>722.3</b>	<b>8.8</b>	<b>862.6</b>	<b>19.4</b>	<b>1052.8</b>	<b>22.1</b>

advances extended by the building society increased significantly from N\$928.6 million to N\$1,120.9 million, representing an increase of 20.7 per cent. For the first time SWABOU's loan book exceeded N\$1 billion during the year under review. The growth in loans and advances was mainly due to an increase of 20.6 per cent in loans secured by mortgages. At the end of 2000 loans and advances constituted 75.6 per cent of total assets compared to 74.9 per cent in 1999 and remain the major source of income for the building society.

### 6.5.2 Deposits

Total deposits lodged with the building society increased by 22.1 per cent from N\$862.6 million in 1999 to N\$1,052.8 million during 2000. The increase was mainly due to a growth of 96.2 per cent in fixed deposits.

The loan-to-deposit ratio declined from 107.7 per cent in 1999 to 106.5 per cent in 2000. This is a good indication that the building society has improved its ability to fund loans and advances with deposits raised from the public, since only a small fraction of loans and advances were funded from sources other than deposits.

Since NCD's, fixed period paid-up and subscription shares can be included in deposits for the purpose of computing the loan-to-deposit ratio, they may have an effect on the ratio. Including these items in total deposits, the loan-to-deposit ratio as at 31 December 2000 was 100.6 per cent, which compares favourably with a ratio of 100.6 per cent as on 31 December 1999. Using the recomputed loan-to-

deposit ratio as at 31 December 2000, the building society could fund its entire loan and advances portfolio with deposits from the public.

### 6.5.3 Liquidity

The building society's total liquid assets increased by 22.1 per cent from N\$213.2 million in 1999 to N\$258.9 million in 2000. This was mainly as a result of an increase in deposits withdrawable on demand from N\$1.8 million to N\$4.9 million.

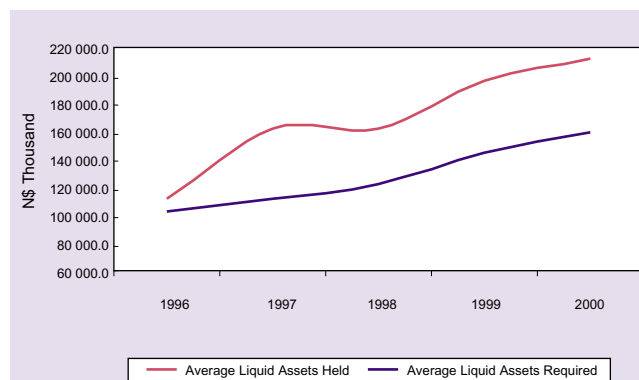
**Chart 6.12 Statutory Liquid Assets of SWABOU**

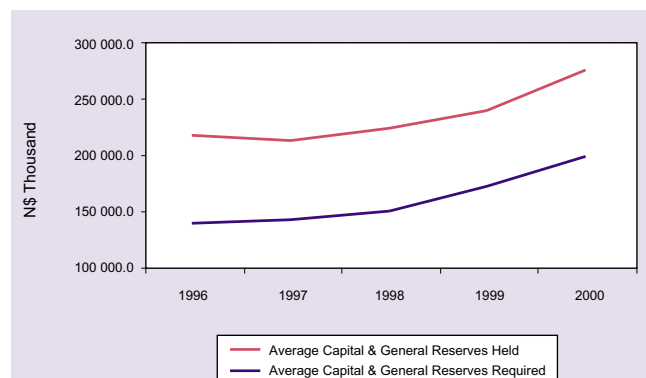
Chart 6.12 shows that during the last five years the annual average liquid assets held by the building society have consistently exceeded the annual averages of the minimum liquid asset requirement.

### 6.5.4 Capital and Reserves

The capital and reserves of the building society increased by 15.1 per cent from N\$282.3 million in 1999 to N\$325.0 million in 2000. This increase can mainly be attributed to a 33.6 per cent increase in reserves. The increase in reserves was, in turn,

caused by the transfer of retained profits for the year to general reserves.

**Chart 6.13 Statutory Capital & Reserves of SWABOU**



It is evident from chart 6.13 that the building society has on average complied with the statutory capital and reserve requirement over the past five years.

### 6.5.5 Earnings

The society's net income before tax increased from N\$34.5 million in 1999 to N\$49.8 million in 2000. This represents a growth rate of 44.4 per cent, which is lower than the 70.0 per cent increase recorded for the previous year.

**Table 6.5 Key Profitable Ratio s for the Building Society**

Period	ROA	ROE
1996	1.3%	5.6%
1997	3.0%	12.2%
1998	1.2%	5.1%
1999	1.9%	8.4%
2000	2.3%	10.3%

The increase in ROA and ROE was due to a 36.4 per cent increase in net income after taxes. Net income after tax increased from N\$23.6 million for the year ending 31 December 1999 to N\$32.2 million for the year ending 31 December 2000.





# **PART C**

## **OPERATIONS AND AFFAIRS OF THE BANK**

**Report in terms of section 52 (1)(b) of the Bank of Namibia Act No 15 of 1997**

## 7. OPERATIONS AND AFFAIRS OF THE BANK OF NAMIBIA

### 7.1 Board Activities

The Board met five times during the year 2000 and was briefed on economic and financial sector developments as well as the Bank's internal financial performance, the Bank's foreign reserves, and examinations of the commercial banks and the building society.

The Board gave special attention to internal matters including the budget presentation to the Board, amendments to the Bank's investment policy, the financial relationship between the Bank and the Ministry of Finance, and personnel matters.

The Board participated in the annual strategic planning meeting in October 2000, where the Bank discussed important issues of strategic interest to the Bank. The Board also attended various other events organised by the Bank such as the Bankers Conference and the Culture Change Festival during the year under review.

The Audit Committee, a subcommittee of the Board, met three times during 2000. The purpose of these meetings was to discuss the management report from the external auditors for the year ending December 1999, the Internal Audit Plan of the Internal Audit Division, and Internal Audit Reports on key departments of the Bank. The Committee also discussed the Audit Planning Memorandum for the year ending 31 December 2000 as well as the financial report of September 2000 and the Bank's budget for 2001.

During 2000, the Remuneration Committee, which oversees and co-ordinates remuneration of Bank personnel met only once. The Committee deliberated on the benefit and pay policy for 2001 in order to ensure that the Bank remunerates its staff and management fairly and equitably.

### 7.2 Major Policy Initiatives during 2000

During the year 2000, the Bank took major

policy initiatives in areas pertaining to management of international reserves, management of Government debt, and the development of local financial market.

#### 7.2.1 International reserves

In terms of the Bank of Namibia Act, Act No. 15 of 1997, the Bank is entrusted with the responsibility of managing the international reserves, paying due regard to liquidity, safety, and preservation of international purchasing power. The international reserves are primarily held to meet the country's financial commitments that are denominated in foreign currencies and serve as a store of wealth.

The current and anticipated foreign commitments play a major role in determining the currencies in which the international reserves are held (currency benchmark). However, the former considerations have to be balanced against the objectives of liquidity, safety and the preservation of international purchasing power. In balancing these, the Bank has put in place a currency benchmark for the international reserves consisting of Rand, USD, Euro, GBP and JPY. A very small portion of the reserves is kept in other currencies to cater for small but frequent payments in these currencies.

Throughout the year, the Bank continued to pursue a prudent investment strategy in conformity with the statutory requirement of paying attention to liquidity, safety and preservation of purchasing power, balanced against broad goals of maintaining adequate level of reserves and obtaining good returns. Substantial changes were effected on the Bank's Investment Policy to keep abreast of international developments and institutional needs. Amongst others, the Yen was added to the portfolio and liquidity and return from investment was improved by subdividing the Rand reserves into three management tranches viz., working capital, liquidity and investment tranches.

#### 7.2.2 Management of Public Debt

Transparency and information dissemination: In line with its objectives to promote local financial market

development, public awareness, understanding of financial market instruments and to encourage widespread participation in local financial market, the Bank (on behalf of the government) continued to issue Government securities, primary auction calendars and educating the public on Investing in Government Securities. The auction calendars not only promote transparency, but also allow investors to plan their financial affairs well in advance. On public education, the Bank revised the brochure on Investing in Government Securities. In addition to the newly introduced glossary, the brochure now provides detailed information and examples on the primary tender process, price and yield calculations.

**GC02 maturity:** One of the three consolidated Internal Registered Stock (IRS), the GC02, is due for redemption on 15 April 2002. As the issuing agent and manager of Government domestic debt, the Bank of Namibia is at an advanced stage of formalising a strategy of retiring this paper. It is anticipated that this strategy will be communicated to the market within the first quarter of 2001.

### 7.2.3 Market Development

The Bank continued pursuing activities aimed at developing local financial market in line with its mission to promote sustainable economic growth and development. To this end, the Bank initiated a number of projects including measures to establish a Book Entry System for Government securities, the introduction of the safe custody facility for Government securities, setting up of liquidity monitoring framework, and the introduction of secondary auctions for the consolidated Internal Registered Stock (IRS).

**Book Entry System:** In line with the trends in global financial markets and with a view to improving the issue and management of debt securities as well as to enhance the efficiency of local financial market, the Bank is preparing to introduce the Book Entry System (BES). The objective of the System is to create an electronic ownership register for Treasury Bills (TBs) and IRS issued by the Government of the Republic of Namibia. Upon the completion of this project, the Bank will cease issuing and manually

handling physical Government securities<sup>7</sup>.

With the BES in place, the risk of securities being lost or misplaced or forged will be reduced and ultimately eliminated. At the same time, it will facilitate an efficient depositing and withdrawal of securities by reducing the amount of time needed to deliver and/or receive securities. Once the mechanical links between the BES and the settlement system are created, the system will allow for delivery vs payment (DVP) and minimise the settlement risk. In addition, it will make it easier for commercial banks to pledge securities to the Bank. Overall, the efficiency of the BES is expected to stimulate secondary market activities.

**Safe Custody Facility:** In the meantime, the Bank has introduced the safe custody facility for Government securities. This service is meant to help investors that need safe custody for their securities, particularly those issued in a bearer form<sup>8</sup>. The major motivation for introducing this facility is to reduce the risk of losing certificates through theft or other factors beyond the investor's control. The Bank charges minimal fees for this service on a sliding scale. This service will be determined once the BES is put in place.

**Liquidity monitoring framework:** The Bank is setting up a liquidity monitoring and forecasting framework. Its purpose is to enable the Bank to monitor the liquidity situation in the local banking system. This project has two stages. The first stage focuses on the development of monitoring capacity, while the second stage involves the development of forecasting capacity. The first stage is nearly complete, while the second will be undertaken during 2001.

**Secondary auctions:** The Bank of Namibia, in close cooperation with the Ministry of Finance, has decided to introduce secondary auctions for Government stock in order to enhance liquidity in these securities and to promote secondary trading.

<sup>7</sup> Initially investors will have an option to either receive certificates or have their securities register electronically in the Book entry system. However, upon the amendment of all relevant legislation, the use of the system shall become compulsory.

<sup>8</sup> Bearer instruments are negotiable instrument payable to the holder upon maturity. Any person presenting this instrument upon maturity to the Bank is entitled to receive the nominal amount on this instrument.

The intention is to bring willing sellers of existing bonds and interested buyers together because there was no other active market place for trading of government stock in Namibia. This arrangement constitutes a first step towards continuous trading arrangements at a later stage. In the course of 2001, the Bank will continue researching and exploring methods to improve secondary trading in Government securities.

### **7.3 Developments on the Payment System**

During the year under review the National Payment Council (NPC), consisting of representatives of the Bank of Namibia and banking institutions, continued with the needs assessment for both clearing and settlement systems while also mapping out the best system solutions based on the country's need. During the stakeholders' workshop hosted last year, the opportunity was offered to non-banking financial institutions, utility providers and other organisations having an interest in the payment system to be updated on the progress made. The NPC and the Bank of Namibia are reviewing the legislative framework governing payment systems and this includes the Payment System Management Bill, the Bills of Exchanges Amendment Bill and the Constitution of the future Payment System Management Body. The draft Bills will be proposed to the Ministries of Finance and Justice for consideration during this year.

As far as settlement system is concerned, the NPC has designed broad business specifications on the basis of which it prepared and sent out Requests For Information (RFI) to potential system vendors requesting these to express interest in providing settlement system solutions. The responses to the RFIs are being evaluated with a view of short-listing suitable vendors. The short-listed vendors will then be provided with a Request For Proposal (RFP) to make comprehensive proposals on the settlement system solutions they can offer as per requirements. The NPC is also considering suitable clearing system solutions for the Namibian circumstances.

While these initiatives are continuing, the Bank

of Namibia is also participating in the SADC-wide project to harmonise the system business requirements for clearing and settlement across the region.

### **7.4 Organisational Culture and Shared Vision**

The purpose of the Organisational Culture Change Process is to enhance organisational performance. This is done by improving management styles, the organisational climate, communication and empowerment. The process was initiated in 1997 and the planning period was for 3 years ending in the year 2000. All the recommendations from this process have now been introduced and the process will now be maintained and reinforced through monitoring and corrective action.

During the year under review, a new operational framework on culture change was implemented to strengthen the process, which laid the foundation for the implementation of a number of various organisational culture change activities. The Eagle 2000 Committee was reconstituted and, through it, culture change activities were decentralised to the departments and divisions. Both the organisational review audit and departmental audits were conducted with the assistance of McRae & Associates and the actual impact of the change programme and the key issues to be addressed were determined both at corporate and departmental levels. Quarterly culture change days were held successfully and the Culture Change Festival held at the Wanderers Club was a great success.

According to the review audit, the process has impacted positively on the culture of the Bank by reinforcing a performance oriented culture, improving and enhancing open communications, enhancing team spirit, and improving management and leadership quality.

### **7.5 Staff development**

The year 2000 saw the implementation of the Human Resources Strategy. With the implementation of this strategy, five staff members were sent for post-

graduate or professional studies in the United Kingdom. One of these employees is pursuing a PhD programme in economics at the School of Oriental and African Studies at the University of London. Several staff members attended courses at the IMF, US Federal Reserve Bank and other international financial institutions.

A total of 119 employees attended various technical and soft skills training courses during 2000. While most of these courses took place externally, several courses were conducted in-house. Examples of such courses were the Performance Management Course for managers and supervisors as well as an Identification of Training Needs Analysis course. One employee obtained a CAIB(SA) qualification from the Institute of Bankers, while nine other have successfully completed a Management Development Programme through the University of Stellenbosch.

One way of investing in the capacity building efforts of the Bank was through the Career Management Process that was undertaken during the year under review. The main objective of this project is to improve individual and organisational effectiveness. Since the Bank is using technology from the Brunel Institute of Social Studies (BIOSS), consultants from BIOSS Southern Africa were contracted to assist in developing the job and person profiles, development plans and succession plans for the Banking Supervision and Research Departments as well as the Financial Markets Division. Deliverables from this process include having in place development plans for each employee, clear career streams for the various jobs in the Bank as well as a succession plan for the Bank. Since the Career Management Process is a lengthy and complex one, the job and personal profiles for the remaining departments and divisions will be completed in 2001. The Career Management Process will result in an integrated Human Resources System using personal and job profiles as inputs for all other Human Resource processes.

For the Bank to achieve its objectives and manage employee performance effectively, an Integrated Performance Management System tied to the Bank's strategic priorities has been implemented.

This Integrated Performance Management system will reinforce the value attached to good performance and enable the Bank to achieve its objectives. As part of the integrated system, Performance Management Software called Knowledge Point Applications was acquired and installed on the personal computers of all members of management. Plans are under way to install the software on Senior Officer's personal computers next year. The Performance Management System based on this software will be fully functional by the beginning of the year 2001. All system users have been trained to use the system.

The Bank embarked upon an Affirmative Action Project to ensure that employees are appropriately informed about the provisions of the Affirmative Action Act No. 29 of 1998 and to ensure that the Bank conforms to the provisions and the requirements of the Act. As a result, an Affirmative Action Committee was appointed, an Affirmative Action Plan compiled and the first Affirmative Action Report for 2000 was submitted to the Office of the Employment Equity Commissioner. The report was approved and a certificate of compliance was issued to the Bank. Due to the technical nature of its work the main challenge the Bank faces with regard to Affirmative Action is the issue of gender equity. As a result a gender equity plan was drafted to redress the issue over the next 3 years.

## 7.6 Social responsibility

The Bank is currently sponsoring nine students studying for degree qualifications in the areas of economics and accounting at the University of Namibia. For the past four years, the Bank has been awarding at least two bursaries to deserving students on an annual basis. Once the students complete their studies, it is expected that the Bank will employ them.

During the year under review, the Bank participated in two Career Fairs at the R ssing Foundation and the Polytechnic of Namibia. Through these exhibitions, the Bank wishes to inform students and learners about careers and employment opportunities that exist at the central bank and also to inform them about the functions and role of the central bank.



# **PART D**

## **ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000**

**Report in terms of section 52 (1)(a) of the Bank of Namibia Act No 15 of 1997**



**ANNUAL FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2000**

REPORT OF THE INDEPENDENT AUDITORS .....	47
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STATEMENT OF CHANGES IN EQUITY .....	51
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## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBER OF THE BANK OF NAMIBIA**

### **Introduction**

We have audited the annual financial statements of the Bank of Namibia set out on pages 48 to 57 for the year ended 31 December 2000. These financial statements are the responsibility of the Members of the Board of the Bank. Our responsibility is to express an opinion on these financial statements based on our audit.

### **Scope**

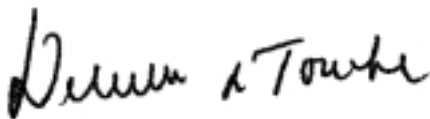
We conducted our audit in accordance with statements of Namibian Auditing Standards. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes :

- ¥ examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- ¥ assessing the accounting principles used and significant estimates made by management, and
- ¥ evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

### **Audit opinion**

In our opinion, the financial statements fairly present, in all material respects, the financial position of the Bank of Namibia at 31 December 2000 and the results of its operations for the financial year then ended in accordance with generally accepted accounting practice in Namibia and in the manner required by the Bank of Namibia Act, No. 15 of 1997.



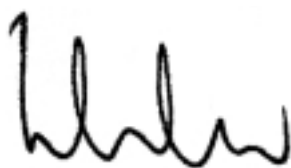
**Deloitte & Touche**  
**Chartered Accountants (Namibia)**  
**WINDHOEK**  
**31 March 2001**

## BOARD MEMBERS STATEMENT

Pursuant to Section 8(1) of the Bank of Namibia Act No. 15 of 1997, we confirm that:

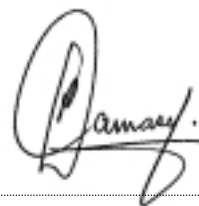
1. We are responsible for the preparation of the annual financial statements and for the judgements used therein;
2. We are responsible for establishing and maintaining the systems of internal control designed to provide assurance as to the integrity and reliability of the Bank's financial reporting;
3. In our opinion, the attached annual financial statements for the financial year ended 31 December 2000 fairly present the financial position of the Bank and the results of its operations.

The annual financial statements on pages 49 to 57 were approved by the Members of the Board of the Bank and are signed on its behalf by.



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**CHAIRMAN**  
31 March 2001



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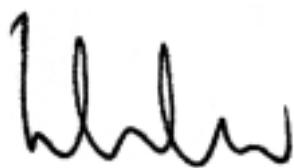
**BOARD MEMBER**  
31 March 2001

# INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000

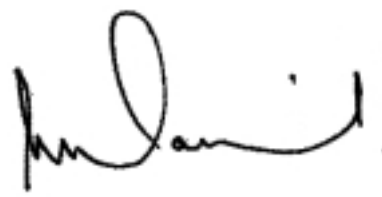
		<b><u>2000</u></b>	<b><u>1999</u></b>
	<b>Notes</b>	<b>N\$ 000</b>	<b>N\$ 000</b>
Net interest received		127 358	116 290
Interest received		140 120	119 000
Interest paid		(12 762)	(2 710)
Net realised gains / (losses) on portfolio investments		246	(590)
Other income		2 745	1 364
Total income		130 349	117 064
Operating expenses		(63 830)	(49 450)
Administration expenses		43 293	34 744
Currency expenses		3 482	3 021
Depreciation		6 858	3 140
Other operating costs		10 197	8 545
Net profit for the year before transfers to reserves	2	66 519	67 614
Transfer to reserves		(27 430)	(26 904)
General reserve	7	16 630	16 904
Building reserve	9	10 800	10 000
Distribution to State Revenue Fund		39 089	40 710

## BALANCE SHEET AS AT 31 DECEMBER 2000

		<u>2000</u>	<u>1999</u>
	Notes	N\$ 000	N\$ 000
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>163 560</b>	<b>162 216</b>
Property, plant and equipment	3	128 282	126 333
Currency inventory		2 556	5 518
Loans and advances		32 722	30 365
<b>Current assets</b>		<b>2 005 558</b>	<b>1 892 849</b>
Loans and advances		16 361	15 183
Investments	4	1 966 649	1 845 272
Rand cash		18 023	28 002
Other assets	5	4 525	4 392
<b>Total assets</b>		<b>2 169 118</b>	<b>2 055 065</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>		<b>825 035</b>	<b>589 799</b>
Share capital	6	40 000	40 000
General reserve	7	193 509	93 301
Revaluation reserve	8	561 526	353 720
Building reserve	9	30 000	100 243
Special reserve	10	-	2 535
<b>Current liabilities</b>		<b>1 344 083</b>	<b>1 465 266</b>
Notes and coins in circulation	11	660 444	696 075
Deposits	12	672 518	761 067
Other liabilities		11 121	8 124
<b>Total equity and liabilities</b>		<b>2 169 118</b>	<b>2 055 065</b>



**TOM K. ALWEENDO - GOVERNOR**  
31 March 2001



**UBAIDULLAH DAVIDS - CHIEF FINANCIAL OFFICER**  
31 March 2001

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2000

	Share Capital	General Reserve	Revaluation Reserve	Building Reserve	Special Reserve	Total
	N\$ 000	N\$ 000	N\$ 000	N\$ 000	N\$ 000	N\$ 000
<b>Balance at 31 December 1998</b>	40 000	76 397	352 864	90 243	2 535	<b>562 039</b>
Net foreign exchange gains	-	-	856	-	-	<b>856</b>
Appropriation of net profit for the year	-	16 904	-	10 000	-	<b>26 904</b>
<b>Balance at 31 December 1999</b>	40 000	93 301	353 720	100 243	2 535	<b>589 799</b>
Net foreign exchange gains	-	-	207 806	-	-	<b>207 806</b>
Appropriation of net profit for the year	-	16 630	-	10 800	-	<b>27 430</b>
Transfer to / (from) reserves	-	83 578	-	(81 043)	(2 535)	<b>-</b>
<b>Balance at 31 December 2000</b>	<b>40 000</b>	<b>193 509</b>	<b>561 526</b>	<b>30 000</b>	<b>-</b>	<b>825 035</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2000

## 1. ACCOUNTING POLICIES

The Bank's annual financial statements are prepared on the historical cost basis. The annual financial statements have also been prepared to comply with the requirements of the Bank of Namibia Act No. 15 of 1997. The principal accounting policies, which have been consistently applied in all material respects, are set out below.

### 1.1 General reserve

The general reserve is established in terms of Section 16 of the Bank of Namibia Act No. 15 of 1997 and may only be used for the purpose specified therein.

### 1.2 Revaluation reserve

In terms of Section 31 of the Bank of Namibia Act No. 15 of 1997 foreign assets and liabilities are translated at year end exchange rates and any gains and losses are transferred to the Revaluation Reserve Account.

### 1.3 Property, plant and equipment

Property, plant and equipment are stated at cost and are depreciated on the straight line method over their estimated useful lives at the following rates:

Freehold buildings	4.0%
Computer hardware	50.0%
Computer software	33.3%
Motor vehicles	25.0%
Furniture, fittings and equipment	20.0%

### 1.4 Investments

Investments in marketable securities are stated at market value and include realised and unrealised capital appreciation, or depreciation, which is taken into account to reflect changes in market value. Realised capital appreciation as well as realised and unrealised depreciations are recognised in the income statement. Unrealised capital appreciations are included in other liabilities and only recognised as income when it is being realised.

Investments are adjusted to take account of discounts earned or premiums paid, over their remaining life, so that book value at maturity equals the redemption value.

Other investments are stated at cost and any exchange rate movements are accounted for through the Revaluation Reserve Account.

Interest from investments is accounted for on the accruals basis.

### 1.5 Currency inventory

The costs of new Namibia bank notes and coins are capitalised and amortised on the earlier of issue of the currency or over five years.

### 1.6 Foreign currency transactions

Transactions in foreign currencies are accounted for at the rate of exchange ruling on the date of transaction. Where the transaction is covered by a forward exchange contract the rate specified in the contract is used. Monetary assets and liabilities are translated at the rates ruling at the balance sheet date.

### 1.7 Pension fund

It is the policy of the bank to provide retirement benefits for employees. Contributions to the pension fund are charged against income in the year in which they become payable.



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) 31 DECEMBER 2000

	<u>2000</u> N\$ 000	<u>1999</u> N\$ 000
<b>2. NET PROFIT FOR THE YEAR</b>		
The net profit for the year is arrived at after taking the following items into account:		
Realised gains / (losses) on portfolio investments	246	(590)
Salaries and related personnel costs	38 100	31 584
Staff training and development	2 873	1 321
Social responsibility	814	558
Board members fees	150	46
Auditor s remuneration for services - current year	120	113
- prior year	31	-
Membership fees	976	856
Building and other maintenance costs	1 313	659
Profit on disposal of property, plant and equipment	<u>662</u>	<u>31</u>

### 3. PROPERTY, PLANT AND EQUIPMENT

	<u>Freehold buildings</u>	<u>Computer software &amp; hardware</u>	<u>Furniture fittings &amp; equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	N\$ 000	N\$ 000	N\$ 000	N\$ 000	N\$ 000
<b>Cost</b>					
At 1 January 2000	115 339	9 320	12 744	959	138 362
Additions	7 296	1 176	992	472	9 936
Disposals / write-off	<u>(1 122)</u>	<u>-</u>	<u>(73)</u>	<u>-</u>	<u>(1 195)</u>
At 31 December 2000	<u>121 513</u>	<u>10 496</u>	<u>13 663</u>	<u>1 431</u>	<u>147 103</u>
<b>Depreciation</b>					
At 1 January 2000	1 636	2 686	7 155	552	12 029
Current year charge	2 181	2 909	1 490	278	6 858
Disposals / write-off	<u>-</u>	<u>-</u>	<u>(66)</u>	<u>-</u>	<u>(66)</u>
At 31 December 2000	<u>3 817</u>	<u>5 595</u>	<u>8 579</u>	<u>830</u>	<u>18 821</u>
<b>Book value</b>					
At 1 January 2000	<u>113 703</u>	<u>6 634</u>	<u>5 589</u>	<u>407</u>	<u>126 333</u>
At 31 December 2000	<u>117 696</u>	<u>4 901</u>	<u>5 084</u>	<u>601</u>	<u>128 282</u>

**NOTES TO THE ANNUAL FINANCIAL  
STATEMENTS (continued)  
31 DECEMBER 2000**

	<b>2000</b> <b>N\$ 000</b>	<b>1999</b> <b>N\$ 000</b>
<b>4. INVESTMENTS</b>		
Rand currency	590 919	659 194
Other currencies	1 375 730	1 186 078
	<u>1 966 649</u>	<u>1 845 272</u>
<b>5. OTHER ASSETS</b>		
Stock inventory	156	137
Accounts receivable	4 191	4 136
IMF - special drawing rights	178	119
	<u>4 525</u>	<u>4 392</u>
<b>6. SHARE CAPITAL</b>		
Authorised capital		
100 000 000 Ordinary shares of N\$1 each	<u>100 000</u>	<u>100 000</u>
Issued capital		
40 000 000 Ordinary shares of N\$1 each	<u>40 000</u>	<u>40 000</u>
<b>7. GENERAL RESERVE</b>		
Opening balance	93 301	76 397
Transfer from: Net profit	16 630	16 904
Building reserve	81 043	-
Special reserve	2 535	-
Closing balance	<u>193 509</u>	<u>93 301</u>
<b>8. REVALUATION RESERVE</b>		
Opening balance	353 720	352 864
Net foreign exchange gains	207 806	856
Closing balance	<u>561 526</u>	<u>353 720</u>

**NOTES TO THE ANNUAL FINANCIAL  
STATEMENTS (continued)  
31 DECEMBER 2000**

	<b><u>2000</u></b> <b>N\$ 000</b>	<b><u>1999</u></b> <b>N\$ 000</b>
<b>9. BUILDING RESERVE</b>		
Opening balance	100 243	90 243
Transfer from net profit	10 800	10 000
Transfer to general reserve	<u>(81 043)</u>	<u>-</u>
Closing balance	<u>30 000</u>	<u>100 243</u>
<p>This reserve has been created to meet the costs of building the new headquarters and the branch in Oshakati for the Bank of Namibia. (Note 3).</p>		
<b>10. SPECIAL RESERVE</b>		
Reserve established to meet the costs of replacing and producing the national currency has been transferred to the General Reserve Account.	<u>-</u>	<u>2 535</u>
<b>11. NOTES AND COINS IN CIRCULATION</b>		
Notes	614 798	653 983
Coins	<u>45 646</u>	<u>42 092</u>
	<u>660 444</u>	<u>696 075</u>

**NOTES TO THE ANNUAL FINANCIAL  
STATEMENTS (continued)  
31 DECEMBER 2000**

	<b><u>2000</u></b>	<b><u>1999</u></b>
	<b>N\$ 000</b>	<b>N\$ 000</b>
<b>12. DEPOSITS</b>		
Government	486 371	512 559
Domestic bankers current account	3 184	35
Domestic bankers reserve account	100 484	121 515
Domestic bankers call account	41 629	79 768
Other	40 850	47 190
	<u>672 518</u>	<u>761 067</u>

The Government of the Republic of Namibia has immediate access to an overdraft facility of N\$100 million with the Bank of Namibia, of which interest is payable at an average Treasury Bill rate plus 2% ruling at the time the facility is being utilised.

**13. COMMITMENTS**

**13.1 Capital expenditure**

Contracted:

Bank of Namibia - Head Office	<u>-</u>	<u>2 254</u>
Bank of Namibia - Oshakati Branch	<u>41 383</u>	<u>-</u>

**13.2 Guarantees**

The Bank guarantees a percentage of housing loans granted to employees by certain financial institutions. Half of the guarantee is given by way of collateral security in the form of deposits at the respective financial institutions and the balance by way of written obligation from the Bank.

## **NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) 31 DECEMBER 2000**

### **14. PENSION FUND**

Pensions are provided for employees by a separate Pension Fund, known as the Bank of Namibia Provident Fund, to which the Bank contributes. The Provident Fund is administered by the Pension Fund Act, No. 24 of 1956. An actuarial valuation was done (with no adjustments recommended) whereby the Pension Fund has been converted from a Defined Benefit Pension Fund to a Defined Contribution Provident Fund as at March 1<sup>st</sup>, 2000. All employees contribute to the Provident Fund. The total contribution of the Bank for the year amounted to N\$3 769 939 (31 December 1999, N\$3 057 014).

### **15. TAXATION**

No provision for taxation has been made in the annual financial statements as the Bank is exempted from taxation in terms of section 57 of the Bank of Namibia Act, No. 15 of 1997.

### **16. CASH FLOW STATEMENT**

A cash flow statement has not been prepared because it is considered inappropriate in view of the Bank's role, as the central bank, in the creation and withdrawal of money.

### **17. COMPARATIVE FIGURES**

Comparative figures have been restated where necessary to afford a proper comparison.



# **PART E**

## **STATISTICAL APPENDIX**



## STATISTICAL TABLES

### Methods and Concepts

#### Banking Survey

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

#### Monetary Survey

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

#### Deposit Money Banks (DMB's)

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

#### Other Banking Institutions (OBI's)

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

#### Broad Money Supply (M2)

Broad Money Supply (M2) is defined to include M1 plus time and savings deposits of the non-bank private sector.

#### Narrow Money Supply (M1)

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

#### Demand Deposits

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

#### Prime rate

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

#### Bank rate

The rate charged by the Bank of Namibia on advances on specific collateral to DMC's.

#### 3-Month BA rate

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

**Money Market Rate**

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

**Deposit Rate**

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

**Lending Rate**

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

**Mortgage Rate**

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

**Real Interest Rate**

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

**Overall Market**

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

**Local Market**

Only local (Namibian) companies listed on the NSX.

**Market Capitalisation**

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

**Market Turnover**

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

**Market Volume**

The number of shares traded on the NSX.

**Dual-listed Companies**

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

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**Table I.1 AGGREGATE ECONOMIC INDICATORS**

	1995	1996	1997	1998	1999
<b>Current Prices</b>					
GDP (N\$ mil.)	12707	15012	16795	18887	21124
% Change	10.0	18.1	11.9	12.5	11.8
GNI (N\$ mil.)	13276	15321	17101	19370	21343
% Change	13.2	15.4	11.6	13.3	10.2
GDP per capita (N\$)	7972	9137	9902	10792	11703
% Change	6.7	14.6	8.4	9.0	8.4
GNI per capita (N\$)	8328	9325	10083	11068	11824
% Change	9.8	12.0	8.1	9.8	6.8
<b>Constant 1995 Prices</b>					
GDP (N\$ mil.)	12707	13112	13703	14176	14717
% Change	4.1	3.2	4.5	3.5	3.8
GNI (N\$ mil.)	12957	13685	14299	15287	15408
% Change	4.2	5.6	4.5	6.9	0.8
GDP per capita (N\$)	7972	7981	8079	8100	8154
% Change	1.0	0.1	1.2	0.3	0.7
GNI per capita (N\$)	8129	8329	8431	8736	8537
% Change	1.0	2.5	1.2	3.6	-2.3

Source: Central Bureau of Statistics

Table I.2 GROSS DOMESTIC PRODUCT AND GROSS NATIONAL INCOME

	1995	1996	1997	1998	1999
<b>Current prices - N\$ millions</b>					
Compensation of employees	5358	6264	6962	7822	8168
Consumption of fixed capital	1721	1945	2191	2482	2863
Net operating surplus	4092	5183	5742	6417	7704
<b>Gross domestic product at factor cost</b>	<b>11170</b>	<b>13392</b>	<b>14894</b>	<b>16721</b>	<b>18735</b>
Taxes on production and imports	1714	1843	2104	2316	2546
Subsidies	-178	-223	-204	-151	-157
<b>Gross domestic product at market prices</b>	<b>12707</b>	<b>15012</b>	<b>16795</b>	<b>18887</b>	<b>21124</b>
Primary incomes					
- receivable from the rest of the world	1568	1359	1026	1014	1118
- payable to the rest of the world	-999	-1050	-719	-531	-899
<b>Gross national income at market prices</b>	<b>13276</b>	<b>15321</b>	<b>17101</b>	<b>19370</b>	<b>21343</b>
Current transfers					
- receivable from the rest of the world	1569	1939	2164	2492	2873
- payable to the rest of the world	-176	-189	-235	-249	-265
<b>Gross national disposable income</b>	<b>14669</b>	<b>17071</b>	<b>19030</b>	<b>21612</b>	<b>23951</b>
<b>Current prices - N\$ per capita</b>					
Gross domestic product at market prices	7972	9137	9902	10792	11703
Gross national income at market prices	8328	9325	10083	11068	11824
<b>Constant 1995 prices - N\$ millions</b>					
Gross domestic product at market prices	12707	13112	13703	14176	14717
- Annual percentage change	4.1%	3.2%	4.5%	3.5%	3.8%
Real gross national income	12957	13685	14299	15287	15408
- Annual percentage change	4.2%	5.6%	4.5%	6.9%	0.8%
<b>Constant 1995 prices - N\$ per capita</b>					
Gross domestic product at market prices	7972	7981	8079	8100	8154
- Annual percentage change	1.0%	0.1%	1.2%	0.3%	0.7%
Real gross national income	8129	8329	8431	8736	8537
- Annual percentage change	1.0%	2.5%	1.2%	3.6%	-2.3%

Source: Central Bureau of Statistics

Table I.3 NATIONAL DISPOSABLE INCOME AND SAVING

Current prices - N\$ millions	1995	1996	1997	1998	1999
<b>Disposable income and saving</b>					
<b>Gross national disposable income</b>	<b>14669</b>	<b>17071</b>	<b>19030</b>	<b>21612</b>	<b>23951</b>
Consumption of fixed capital	1721	1945	2191	2482	2863
<b>Net national disposable income</b>	<b>12948</b>	<b>15126</b>	<b>16838</b>	<b>19130</b>	<b>21088</b>
All other sectors	9368	11084	11899	13578	15085
General government	3580	4042	4940	5551	6003
Final consumption expenditure	11013	13190	15201	16628	18619
Private	7204	8669	10181	11091	12434
General government	3809	4521	5019	5537	6185
Saving, net	1935	1936	1638	2502	2469
All other sectors	2164	2415	1717	2487	2652
General government	-229	-479	-80	15	-182
<b>Financing of capital formation</b>					
Saving, net	1935	1936	1638	2502	2469
Capital transfers receivable from abroad	148	183	156	254	273
Capital transfers payable to foreign countries	-2	-2	-2	-2	-2
<b>Total</b>	<b>2080</b>	<b>2117</b>	<b>1792</b>	<b>2754</b>	<b>2741</b>
<b>Capital formation</b>					
Gross fixed capital formation	2817	3535	3371	4445	4909
All other sectors	2085	2748	2485	3606	3896
General government	732	787	886	839	1013
Consumption of fixed capital	-1721	-1945	-2191	-2482	-2863
All other sectors	-1179	-1338	-1532	-1771	-2093
General government	-542	-607	-659	-711	-770
Changes in inventories	-60	-65	92	521	51
Net lending (+) / Net borrowing (-)	1044	592	521	270	644
All other sectors	1471	1288	865	492	1198
General government	-427	-695	-345	-222	-555
Discrepancy on GDP <sup>1</sup>	279	445	192	462	-8
Net lending/borrowing in external transactions	1323	1037	713	732	635
<b>Total</b>	<b>2080</b>	<b>2117</b>	<b>1792</b>	<b>2754</b>	<b>2741</b>

Source: Central Bureau of Statistics

<sup>1</sup>This is the discrepancy in Table 1.6

**Table I.4 GROSS DOMESTIC PRODUCT BY ACTIVITY**

Current Prices - N\$ Millions

Industry	1995	1996	1997	1998	1999
Agriculture and forestry products	872	971	977	906	1210
Commercial	517	583	540	460	618
Subsistence	355	388	438	447	592
Fishery products	491	629	650	933	992
Mining and quarrying	1058	1539	1729	1848	2048
Diamond mining	763	1169	1251	1371	1638
Other mining and quarrying	295	371	478	477	410
<b>Primary industries</b>	<b>2421</b>	<b>3139</b>	<b>3356</b>	<b>3688</b>	<b>4250</b>
Manufacturing	1462	1337	1657	2044	2147
Meat processing	123	148	116	131	141
Fish processing	390	153	281	543	508
Manufacture of other food products and beverages	540	646	776	915	1028
Other manufacturing	409	391	484	455	470
Electricity and water	260	309	357	464	515
Construction	360	452	433	528	456
<b>Secondary industries</b>	<b>2082</b>	<b>2097</b>	<b>2447</b>	<b>3037</b>	<b>3118</b>
Wholesale and retail trade, repairs	1077	1307	1508	1720	1981
Hotels and restaurants	217	219	302	359	397
Transport and communication	851	972	1084	1111	1301
Transport and storage	635	704	759	698	835
Post and telecommunications	216	268	325	413	467
Financial intermediation	325	476	603	637	691
Real estate and business services	1230	1529	1670	1866	2120
Owner-occupied dwellings	606	766	860	956	1070
Other real estate and business services	624	763	811	910	1049
Community, social and personal services	114	131	143	155	172
Producers of government services	2780	3404	3762	4150	4705
Other producers	264	294	326	354	392
<b>Tertiary industries</b>	<b>6858</b>	<b>8331</b>	<b>9400</b>	<b>10352</b>	<b>11758</b>
Less: Financial services indirectly measured	109	162	209	216	254
<b>All industries at basic prices</b>	<b>11252</b>	<b>13406</b>	<b>14994</b>	<b>16860</b>	<b>18872</b>
Taxes less subsidies on products	1455	1606	1800	2026	2252
<b>GDP at market prices</b>	<b>12707</b>	<b>15012</b>	<b>16795</b>	<b>18887</b>	<b>21124</b>

Source: Central Bureau of Statistics

**Table I.5 GROSS DOMESTIC PRODUCT BY ACTIVITY**

Constant 1995 Prices - N\$ Millions

Industry	1995	1996	1997	1998	1999
Agriculture and forestry products	872	1005	926	909	1016
Commercial	517	602	519	489	502
Subsistence	355	403	407	420	513
Fishery products	491	482	465	567	574
Mining and quarrying	1058	1100	1145	1117	1170
Diamond mining	763	783	782	793	867
Other mining and quarrying	295	317	363	324	303
<b>Primary industries</b>	<b>2421</b>	<b>2588</b>	<b>2537</b>	<b>2593</b>	<b>2760</b>
Manufacturing	1462	1226	1447	1576	1566
Meat processing	123	128	92	99	109
Fish processing	390	139	262	356	322
Manufacture of other food products and beverages	540	587	655	728	770
Other manufacturing	409	372	438	394	364
Electricity and water	260	238	214	223	273
Construction	360	416	367	423	345
<b>Secondary industries</b>	<b>2082</b>	<b>1880</b>	<b>2028</b>	<b>2222</b>	<b>2184</b>
Wholesale and retail trade, repairs	1077	1179	1247	1338	1399
Hotels and restaurants	217	200	254	285	290
Transport and communication	851	894	962	862	954
Transport and storage	635	655	673	533	595
Post and telecommunications	216	239	289	329	358
Financial intermediation	325	379	421	447	434
Real estate and business services	1230	1285	1282	1329	1395
Owner-occupied dwellings	606	628	644	660	677
Other real estate and business services	624	657	638	669	718
Community, social and personal services	114	120	122	122	124
Producers of government services	2780	2876	2980	3074	3194
Other producers	264	270	275	281	286
<b>Tertiary industries</b>	<b>6858</b>	<b>7203</b>	<b>7543</b>	<b>7738</b>	<b>8075</b>
Less: Financial services indirectly measured	109	125	137	144	152
<b>All industries at basic prices</b>	<b>11252</b>	<b>11546</b>	<b>11970</b>	<b>12408</b>	<b>12867</b>
Taxes less subsidies on products	1455	1566	1733	1768	1850
<b>GDP at market prices</b>	<b>12707</b>	<b>13112</b>	<b>13703</b>	<b>14176</b>	<b>14717</b>

Source: Central Bureau of Statistics



**Table I.6 EXPENDITURE ON GROSS DOMESTIC PRODUCT**

Current Prices - N\$ Million

Expenditure category	1995	1996	1997	1998	1999
Final consumption expenditure	11013	13190	15201	16628	18619
Private	7204	8669	10181	11091	12434
General government	3809	4521	5019	5537	6185
Gross fixed capital formation	2817	3535	3371	4445	4909
Changes in inventories <sup>1</sup>	-60	-65	92	521	51
<b>Gross domestic expenditure</b>	<b>13771</b>	<b>16660</b>	<b>18663</b>	<b>21594</b>	<b>23579</b>
Exports of goods and services	6288	7593	7962	8658	9876
Imports of goods and services	7073	8796	9638	10903	12339
Discrepancy	-279	-445	-192	-462	8
<b>Gross domestic product at market prices</b>	<b>12707</b>	<b>15012</b>	<b>16795</b>	<b>18887</b>	<b>21124</b>

Source: Central Bureau of Statistics

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

Constant 1995 Prices - N\$ Million

Expenditure category	1995	1996	1997	1998	1999
Final consumption expenditure	11013	11881	12626	12974	13353
Private	7204	7973	8572	8776	9044
General government	3809	3908	4054	4198	4308
Gross fixed capital formation	2817	3306	2938	3667	3837
Changes in inventories including discrepancy <sup>1</sup>	-60	-65	92	521	51
<b>Gross domestic expenditure</b>	<b>13771</b>	<b>15122</b>	<b>15656</b>	<b>17162</b>	<b>17241</b>
Exports of goods and services	6288	6462	6287	6270	6812
Imports of goods and services	7073	8184	8465	9117	9437
Discrepancy	-279	-287	225	-140	101
<b>Gross domestic product at market prices</b>	<b>12707</b>	<b>13112</b>	<b>13703</b>	<b>14176</b>	<b>14717</b>

Source: Central Bureau of Statistics

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

Current Prices - N\$ Million

Industry	1995	1996	1997	1998	1999
Agriculture	135	168	205	228	252
Fishing	79	94	54	148	21
Mining and quarrying	302	567	437	500	662
Manufacturing	232	246	291	435	500
Electricity and water	64	148	138	261	405
Construction	118	131	145	232	173
Wholesale and retail trade; hotels, restaurants	316	211	178	196	182
Transport and communication	207	279	476	948	996
Finance, real estate and business services	642	951	590	643	714
Community, social and personal services	26	22	27	47	34
Producers of government services	694	718	831	808	973
<b>Total</b>	<b>2817</b>	<b>3535</b>	<b>3371</b>	<b>4445</b>	<b>4909</b>

Source: Central Bureau of Statistics

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

Constant 1995 Prices - N\$ Million

Industry	1995	1996	1997	1998	1999
Agriculture	135	159	182	192	200
Fishing	79	90	48	126	17
Mining and quarrying	302	540	393	429	536
Manufacturing	232	232	256	364	397
Electricity and water	64	137	119	209	303
Construction	118	126	130	194	139
Wholesale and retail trade; hotels, restaurants	316	198	156	163	143
Transport and communication	207	259	405	762	771
Finance, real estate and business services	642	880	509	528	558
Community, social and personal services	26	21	25	41	27
Producers of government services	694	666	715	658	747
<b>Total</b>	<b>2817</b>	<b>3306</b>	<b>2938</b>	<b>3667</b>	<b>3837</b>

Source: Central Bureau of Statistics

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

Current Prices - N\$ Million

Type of Asset	1995	1996	1997	1998	1999
Buildings	1149	1368	1063	1172	1279
Construction works	504	681	798	1153	840
Transport equipment	393	438	476	950	1380
Machinery and other equipment	581	811	840	922	1059
Mineral exploration	190	237	194	248	350
<b>Total</b>	<b>2817</b>	<b>3535</b>	<b>3371</b>	<b>4445</b>	<b>4909</b>

Source: Central Bureau of Statistics

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

Constant 1995 Prices - N\$ Million

Type of Asset	1995	1996	1997	1998	1999
Buildings	1149	1263	914	958	993
Construction works	504	624	669	909	618
Transport equipment	393	415	411	775	1065
Fixed capital stock by activity	581	781	774	818	884
Mineral exploration	190	222	170	207	278
<b>Total</b>	<b>2817</b>	<b>3306</b>	<b>2938</b>	<b>3667</b>	<b>3837</b>

Source: Central Bureau of Statistics

**Table I.12 GROSS FIXED CAPITAL FORMATION BY THE TYPE OF OWNERSHIP**

Current Prices - N\$ Million

Ownership	1995	1996	1997	1998	1999
Public	898	1101	1371	1476	2188
Producers of government services	694	718	831	808	973
Public corporations and enterprises	204	383	540	669	1215
Private	1918	2434	2000	2969	2721
<b>Total</b>	<b>2817</b>	<b>3535</b>	<b>3371</b>	<b>4445</b>	<b>4909</b>

Source: Central Bureau of Statistics

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

Constant 1995 Prices - N\$ Million

Ownership	1995	1996	1997	1998	1999
Public	898	1021	1177	1198	1679
Producers of government services	694	666	715	658	747
Public corporations and enterprises	204	355	461	540	932
Private	1918	2285	1761	2469	2159
<b>Total</b>	<b>2817</b>	<b>3306</b>	<b>2938</b>	<b>3667</b>	<b>3837</b>

Source: Central Bureau of Statistics

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

Current Prices - N\$ Million

Industry	1995	1996	1997	1998	1999
Agriculture	3033	3298	3614	3893	4150
Fishing	344	433	491	632	658
Mining and quarrying	3418	3855	4210	4525	4960
Manufacturing	1304	1527	1781	2128	2523
Electricity and water	2381	2648	2917	3221	3722
Construction	365	433	507	647	699
Wholesale and retail trade; hotels, restaurants	1321	1530	1697	1840	1954
Transport and communication	2960	3283	3808	4702	5561
Finance, real estate and business services	4971	6034	6772	7427	8115
Community, social and personal services	247	274	306	349	382
Producers of government services	18691	20439	22373	23789	25543
<b>Total</b>	<b>39035</b>	<b>43753</b>	<b>48478</b>	<b>53151</b>	<b>58267</b>

Source: Central Bureau of Statistics

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

Constant 1995 Prices - N\$ Million

Industry	1995	1996	1997	1998	1999
Agriculture	3033	3044	3070	3096	3120
Fishing	344	413	439	538	527
Mining and quarrying	3418	3610	3650	3713	3863
Manufacturing	1304	1423	1550	1762	1982
Electricity and water	2381	2429	2452	2561	2754
Construction	365	412	453	540	560
Wholesale and retail trade; hotels, restaurants	1321	1420	1468	1510	1521
Transport and communication	2960	3022	3215	3734	4183
Finance, real estate and business services	4971	5575	5825	6070	6300
Community, social and personal services	247	256	267	291	300
Producers of government services	18691	18793	18941	19020	19176
<b>Total</b>	<b>39035</b>	<b>40397</b>	<b>41330</b>	<b>42835</b>	<b>44286</b>

Source: Central Bureau of Statistics

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

	All Items	Food	Beverage & Tobacco	Housing, Fuel & Power	Clothing & Footwear	Household Goods etc.	T/port & Communication	Recreation etc.	Medical Health Care	Misc. Goods etc.	Inflation* (%) Annual
<b>Weights</b>	<b>100.00</b>	<b>28.36</b>	<b>4.10</b>	<b>19.94</b>	<b>4.33</b>	<b>10.22</b>	<b>20.67</b>	<b>4.14</b>	<b>1.35</b>	<b>6.88</b>	<b>100.00</b>
<b>1995</b>	<b>127.93</b>	<b>129.19</b>	<b>134.06</b>	<b>118.63</b>	<b>111.31</b>	<b>127.57</b>	<b>137.26</b>	<b>141.82</b>	<b>138.56</b>	<b>141.74</b>	<b>10.01</b>
<b>1996</b>	<b>138.17</b>	<b>137.84</b>	<b>153.17</b>	<b>143.44</b>	<b>132.82</b>	<b>118.44</b>	<b>129.28</b>	<b>159.98</b>	<b>149.22</b>	<b>159.39</b>	<b>7.21</b>
<b>1997</b>	<b>150.36</b>	<b>148.44</b>	<b>180.44</b>	<b>156.99</b>	<b>151.08</b>	<b>122.04</b>	<b>139.79</b>	<b>178.91</b>	<b>174.68</b>	<b>172.53</b>	<b>8.85</b>
<b>1998 I</b>	<b>154.86</b>	<b>150.29</b>	<b>141.34</b>	<b>192.90</b>	<b>124.76</b>	<b>158.52</b>	<b>162.19</b>	<b>185.21</b>	<b>187.41</b>	<b>188.20</b>	<b>5.18</b>
<b>II</b>	<b>156.82</b>	<b>150.27</b>	<b>141.60</b>	<b>212.20</b>	<b>127.94</b>	<b>163.13</b>	<b>163.64</b>	<b>187.09</b>	<b>192.74</b>	<b>190.45</b>	<b>4.80</b>
<b>III</b>	<b>162.30</b>	<b>152.38</b>	<b>145.24</b>	<b>217.02</b>	<b>131.27</b>	<b>173.03</b>	<b>177.08</b>	<b>191.31</b>	<b>197.67</b>	<b>193.92</b>	<b>6.85</b>
<b>IV</b>	<b>164.80</b>	<b>156.52</b>	<b>148.73</b>	<b>219.89</b>	<b>132.05</b>	<b>173.45</b>	<b>177.64</b>	<b>193.19</b>	<b>193.79</b>	<b>197.40</b>	<b>7.94</b>
<b>1999</b>											
Jan	168.10	160.64	224.51	179.04	172.90	133.17	153.62	204.80	197.75	197.87	8.86
Feb	168.05	159.81	225.56	179.04	173.69	133.30	153.64	204.16	199.50	199.50	8.48
Mar	169.69	159.07	234.43	181.19	174.93	133.27	154.44	204.81	200.30	210.97	9.31
<b>Q1</b>	<b>168.61</b>	<b>159.84</b>	<b>228.17</b>	<b>179.76</b>	<b>173.84</b>	<b>133.25</b>	<b>153.90</b>	<b>204.59</b>	<b>199.18</b>	<b>202.78</b>	<b>8.88</b>
Apr	169.73	158.65	237.97	181.19	174.78	133.49	154.44	205.77	200.33	210.49	9.33
May	170.58	158.02	241.62	181.19	175.03	134.14	158.55	206.23	200.25	209.49	8.95
Jun	171.64	158.99	244.69	178.8	177.44	137.79	162.23	206.85	200.01	207.64	8.19
<b>Q2</b>	<b>170.65</b>	<b>158.55</b>	<b>241.43</b>	<b>180.39</b>	<b>175.75</b>	<b>135.14</b>	<b>158.41</b>	<b>206.28</b>	<b>200.20</b>	<b>209.21</b>	<b>8.83</b>
Jul	174.88	160.30	244.79	191.55	178.15	138.14	165.47	206.33	199.61	202.02	8.37
Aug	175.34	161.96	244.44	191.59	178.09	137.96	165.67	206.43	199.66	201.61	8.08
Sep	176.38	163.16	246.98	190.67	178.76	138.66	168.34	206.64	199.68	203.25	8.02
<b>Q3</b>	<b>175.53</b>	<b>161.81</b>	<b>245.40</b>	<b>191.27</b>	<b>178.33</b>	<b>138.25</b>	<b>166.49</b>	<b>206.47</b>	<b>199.65</b>	<b>202.29</b>	<b>8.16</b>
Oct	178.27	162.89	250.07	190.64	178.77	139.38	176.11	210.96	200.00	203.11	8.77
Nov	179.00	164.24	250.70	191.29	179.97	139.59	176.22	212.06	200.67	203.69	8.78
Dec	179.03	162.87	254.74	191.34	180.93	139.98	176.44	211.88	202.32	205.01	7.89
<b>Q4</b>	<b>178.77</b>	<b>163.33</b>	<b>251.84</b>	<b>191.09</b>	<b>179.89</b>	<b>139.65</b>	<b>176.26</b>	<b>211.63</b>	<b>201.00</b>	<b>203.94</b>	<b>8.48</b>
<b>Annual</b>	<b>173.39</b>	<b>160.88</b>	<b>241.71</b>	<b>185.63</b>	<b>176.95</b>	<b>136.57</b>	<b>163.76</b>	<b>207.24</b>	<b>200.01</b>	<b>204.55</b>	<b>8.59</b>
<b>2000</b>											
Jan	180.55	164.04	252.35	191.43	181.09	141.71	177.97	226.38	200.84	207.76	7.41
Feb	181.62	166.39	253.05	192.64	181.09	141.78	177.97	226.38	203.39	209.24	8.07
Mar	183.00	167.20	261.73	195.22	181.35	143.90	178.28	226.42	203.43	209.02	7.84
<b>Q1</b>	<b>181.72</b>	<b>165.88</b>	<b>255.71</b>	<b>193.10</b>	<b>181.18</b>	<b>142.46</b>	<b>178.07</b>	<b>226.39</b>	<b>202.55</b>	<b>208.67</b>	<b>7.77</b>
Apr	184.90	167.83	267.61	195.92	181.84	144.89	184.07	226.55	203.62	209.15	8.94
May	186.10	168.65	271.38	195.92	181.84	145.52	185.76	226.35	229.19	210.08	9.10
Jun	188.55	170.18	271.21	197.10	182.28	146.18	193.66	226.24	230.48	210.89	9.85
<b>Q2</b>	<b>186.52</b>	<b>168.89</b>	<b>270.07</b>	<b>196.31</b>	<b>181.99</b>	<b>145.53</b>	<b>187.83</b>	<b>226.38</b>	<b>221.10</b>	<b>210.04</b>	<b>9.30</b>
Jul	191.62	171.86	272.12	207.85	182.41	147.62	194.73	227.02	230.08	211.08	9.57
Aug	192.41	174.04	272.26	207.85	182.94	147.55	194.92	227.66	230.11	212.25	9.74
Sep	195.08	177.00	272.65	208.30	183.84	146.50	203.59	227.37	230.11	212.49	10.60
<b>Q3</b>	<b>193.04</b>	<b>174.30</b>	<b>272.34</b>	<b>208.00</b>	<b>183.06</b>	<b>147.22</b>	<b>197.75</b>	<b>227.35</b>	<b>230.10</b>	<b>211.92</b>	<b>9.97</b>
Oct	195.77	178.72	271.77	208.41	185.59	146.85	203.81	27.59	230.91	213.07	9.82
Nov	195.58	175.83	270.26	209.97	191.44	147.29	203.92	227.63	231.96	213.58	9.26
Dec	198.34	182.43	267.98	214.17	191.06	147.27	202.78	228.17	234.50	218.61	10.79
<b>Q4</b>	<b>196.56</b>	<b>178.99</b>	<b>270.00</b>	<b>210.85</b>	<b>189.36</b>	<b>147.14</b>	<b>203.50</b>	<b>227.80</b>	<b>232.46</b>	<b>215.09</b>	<b>9.96</b>
<b>Annual</b>	<b>189.46</b>	<b>172.01</b>	<b>267.03</b>	<b>202.07</b>	<b>183.90</b>	<b>145.59</b>	<b>191.79</b>	<b>226.98</b>	<b>221.55</b>	<b>211.43</b>	<b>9.25</b>

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

**Table I.16(b) INTERIM CONSUMER PRICE INDEX**

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

	Monthly Index					Annual Inflation Rate (%)*				
	Domestic			Imported Tradeables	All Items	Domestic			Imported Tradeables	All Items
	Non-Tradeable	Tradeable	Total			Non-Tradeable	Tradeable	Total		
<b>Weights</b>	<b>32.00</b>	<b>20.11</b>	<b>52.11</b>	<b>47.89</b>	<b>100.00</b>	<b>32.00</b>	<b>20.11</b>	<b>52.11</b>	<b>47.89</b>	<b>100.00</b>
<b>1995</b>	<b>130.75</b>	<b>132.52</b>	<b>131.44</b>	<b>124.00</b>	<b>127.93</b>	<b>10.99</b>	<b>9.77</b>	<b>11.03</b>	<b>8.91</b>	<b>10.05</b>
<b>1996</b>	<b>143.52</b>	<b>141.01</b>	<b>142.12</b>	<b>133.01</b>	<b>138.08</b>	<b>9.97</b>	<b>7.04</b>	<b>8.79</b>	<b>7.65</b>	<b>8.00</b>
<b>1997</b>	<b>156.88</b>	<b>152.07</b>	<b>155.02</b>	<b>145.29</b>	<b>150.36</b>	<b>9.30</b>	<b>7.36</b>	<b>8.52</b>	<b>9.28</b>	<b>8.85</b>
<b>1998 I</b>	<b>164.69</b>	<b>154.35</b>	<b>160.70</b>	<b>148.51</b>	<b>154.86</b>	<b>7.53</b>	<b>2.11</b>	<b>5.46</b>	<b>4.88</b>	<b>5.19</b>
<b>II</b>	<b>165.96</b>	<b>154.55</b>	<b>161.56</b>	<b>151.67</b>	<b>156.82</b>	<b>7.74</b>	<b>1.95</b>	<b>5.53</b>	<b>3.98</b>	<b>4.80</b>
<b>III</b>	<b>174.64</b>	<b>155.50</b>	<b>167.25</b>	<b>156.90</b>	<b>162.29</b>	<b>9.03</b>	<b>2.27</b>	<b>6.49</b>	<b>7.27</b>	<b>6.85</b>
<b>IV</b>	<b>175.49</b>	<b>157.55</b>	<b>168.56</b>	<b>160.70</b>	<b>164.80</b>	<b>9.59</b>	<b>2.68</b>	<b>6.99</b>	<b>9.04</b>	<b>7.94</b>
<b>1999</b>										
Jan	181.18	160.98	173.38	162.35	168.10	10.63	3.98	8.15	9.67	8.85
Feb	181.37	160.03	173.13	162.52	168.05	9.99	4.02	7.79	9.28	8.47
Mar	184.01	158.32	174.09	164.88	169.68	11.24	2.54	8.02	10.81	9.30
<b>Q1</b>	<b>182.19</b>	<b>159.78</b>	<b>173.53</b>	<b>163.25</b>	<b>168.61</b>	<b>10.62</b>	<b>3.51</b>	<b>7.99</b>	<b>9.92</b>	<b>8.87</b>
Apr	184.01	159.68	174.62	164.42	169.73	11.04	4.49	8.63	10.16	9.34
May	183.87	159.29	174.38	166.45	170.58	10.85	3.04	7.97	10.09	8.95
Jun	181.91	159.86	173.40	169.73	171.64	9.39	2.32	6.77	9.82	8.19
<b>Q2</b>	<b>183.26</b>	<b>159.61</b>	<b>174.13</b>	<b>166.87</b>	<b>170.65</b>	<b>10.43</b>	<b>3.28</b>	<b>7.79</b>	<b>10.02</b>	<b>8.83</b>
Jul	187.60	161.03	177.34	172.20	174.88	7.53	4.50	6.44	10.63	8.38
Aug	187.86	162.97	178.25	172.18	175.34	7.67	4.82	6.65	9.75	8.09
Sep	187.17	165.03	178.62	173.93	176.38	6.97	5.17	6.32	9.96	8.01
<b>Q3</b>	<b>187.54</b>	<b>163.01</b>	<b>178.07</b>	<b>172.77</b>	<b>175.53</b>	<b>7.39</b>	<b>4.83</b>	<b>6.47</b>	<b>10.11</b>	<b>8.16</b>
Oct	189.08	165.01	179.79	176.64	178.28	8.05	5.11	6.99	10.82	8.77
Nov	189.08	165.93	180.14	177.77	179.01	7.95	5.39	7.02	10.79	8.78
Dec	189.29	166.50	180.49	177.43	179.03	7.36	5.23	6.59	9.36	7.89
<b>Q4</b>	<b>189.15</b>	<b>165.81</b>	<b>180.14</b>	<b>177.28</b>	<b>178.77</b>	<b>7.79</b>	<b>5.24</b>	<b>6.87</b>	<b>10.32</b>	<b>8.48</b>
<b>Annual</b>	<b>185.54</b>	<b>162.05</b>	<b>176.47</b>	<b>170.04</b>	<b>173.39</b>	<b>9.06</b>	<b>4.22</b>	<b>7.28</b>	<b>10.10</b>	<b>8.59</b>
<b>2000</b>										
Jan	191.35	166.85	181.89	179.09	180.55	5.61	3.66	4.91	10.31	7.41
Feb	192.54	168.13	183.12	180.01	181.63	6.16	5.06	5.77	10.76	8.08
Mar	193.25	168.38	183.65	182.30	183.00	5.02	6.35	5.49	10.57	7.85
<b>Q1</b>	<b>192.38</b>	<b>167.79</b>	<b>182.89</b>	<b>180.47</b>	<b>181.73</b>	<b>5.60</b>	<b>5.02</b>	<b>5.39</b>	<b>10.55</b>	<b>7.78</b>
Apr	193.25	169.52	184.09	185.79	184.90	5.02	6.16	5.42	13.00	8.94
May	194.34	170.47	185.13	187.17	186.11	5.69	7.02	6.16	12.45	9.10
Jun	195.70	173.31	187.06	190.18	188.55	7.58	8.41	7.88	12.05	9.85
<b>Q2</b>	<b>194.43</b>	<b>171.10</b>	<b>185.43</b>	<b>187.71</b>	<b>186.52</b>	<b>6.10</b>	<b>7.20</b>	<b>6.49</b>	<b>12.50</b>	<b>9.30</b>
Jul	203.68	173.54	192.05	191.17	191.63	8.57	7.77	8.29	11.02	9.58
Aug	203.82	175.85	193.85	191.75	192.41	8.50	7.90	8.75	11.37	9.74
Sep	204.53	180.51	195.26	194.89	195.08	9.27	9.38	9.32	12.05	10.60
<b>Q3</b>	<b>204.01</b>	<b>176.63</b>	<b>193.72</b>	<b>192.60</b>	<b>193.04</b>	<b>8.78</b>	<b>8.35</b>	<b>8.79</b>	<b>11.48</b>	<b>9.97</b>
Oct	204.64	181.89	195.86	195.69	195.77	8.23	10.23	8.94	10.78	9.81
Nov	204.66	181.76	195.82	195.32	195.58	8.24	9.54	8.70	9.87	9.26
Dec	206.68	189.54	200.06	196.16	198.34	9.19	13.84	10.84	10.56	10.79
<b>Q4</b>	<b>205.33</b>	<b>184.40</b>	<b>197.25</b>	<b>195.72</b>	<b>196.56</b>	<b>8.55</b>	<b>11.20</b>	<b>9.50</b>	<b>10.40</b>	<b>9.95</b>
<b>Annual</b>	<b>199.04</b>	<b>174.98</b>	<b>189.82</b>	<b>189.13</b>	<b>189.46</b>	<b>7.26</b>	<b>7.94</b>	<b>7.54</b>	<b>11.23</b>	<b>9.25</b>

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

Source: Central Statistics Office

**Table II.1(a) BANK OF NAMIBIA: DETAILED ACCOUNT**  
(end of period in N\$ million)

ASSETS													
Period	Foreign Assets		Sub- Total	Claims on Domestic Sector									TOTAL ASSETS
	Banks	Fund Accounts		Claims on Central Govt.					DMB s	OBI s	Other	Sub- Total	
				Treasury Bills	Govt. Securities	Loans and Advances	Other	Sub- Total					
1995	808.1	1.2	809.3	0.0	0.0	0.0	783.7	783.7	0.0	0.7	0.0	784.4	1593.7
1996	906.5	1.2	907.7	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	908.4
1997	1217.8	1.2	1219.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1219.7
1998 I II III IV	1293.1	1.2	1294.3	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1295.0
	1341.5	1.2	1342.7	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.6	1343.3
	1375.0	1.2	1376.2	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.6	1376.8
	1527.3	1.2	1528.4	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.5	1529.0
1999 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec	1939.1	1.2	1940.3	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.5	1940.8
	1726.2	1.2	1727.4	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.5	1727.9
	1543.1	1.2	1544.2	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1544.9
	1569.4	1.2	1570.6	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1571.2
	1624.2	1.2	1625.4	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1626.0
	1314.8	1.2	1316.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1316.6
	1809.8	1.2	1811.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1811.7
	1450.9	1.2	1452.1	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1452.7
	1258.7	1.2	1259.9	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1260.6
	1561.8	1.2	1563.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1563.7
	1511.0	1.2	1512.2	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1512.8
	1875.9	1.2	1877.1	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1877.8
2000 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec	2144.3	1.2	2145.6	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	2146.3
	1987.5	1.2	1988.7	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1989.4
	1714.7	1.2	1716.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1716.7
	2243.6	1.2	2244.8	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	2245.6
	2111.0	1.2	2112.2	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	2113.0
	1979.5	1.2	1980.7	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1981.4
	2353.6	1.2	2354.8	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	2355.5
	1878.2	1.2	1879.4	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1880.0
	1725.9	1.2	1727.1	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1727.8
	2157.8	1.2	2159.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	2159.7
	1948.8	1.2	1950.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1950.7
	1984.4	1.2	1985.6	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1986.3

**Table II.1(b) BANK OF NAMIBIA: DETAILED ACCOUNT**  
(end of period in N\$ million)

<b>Liabilities</b>									
Period	Currency Outside DMB s (a)	Banker s Reserves (b)	Reserve Money (a+b)	Other Deposits	Central Govt. dep.	Foreign Liabilities	Capital Accounts	Other Items (net)	TOTAL
1995	240.2	165.6	<b>405.8</b>	0.0	280.8	775.3	119.5	12.3	<b>1593.7</b>
1996	282.8	214.2	<b>497.0</b>	0.0	162.4	9.0	303.8	-63.8	<b>908.4</b>
1997	335.6	255.6	<b>591.2</b>	0.2	374.4	25.5	316.5	-88.1	<b>1219.7</b>
1998 I	316.3	237.5	<b>553.8</b>	13.6	418.4	35.2	333.4	-59.4	<b>1295.0</b>
II	329.8	237.7	<b>567.5</b>	0.1	338.6	35.8	495.9	-94.4	<b>1343.4</b>
III	348.5	234.4	<b>582.9</b>	6.0	299.1	35.9	521.4	-68.5	<b>1376.8</b>
IV	364.9	235.7	<b>600.6</b>	8.3	416.1	40.2	513.4	-49.7	<b>1529.0</b>
1999 Jan	355.5	190.3	<b>545.8</b>	5.0	849.8	43.2	535.4	-38.4	<b>1940.8</b>
Feb	367.9	162.8	<b>530.7</b>	0.0	643.0	41.6	541.6	-29.0	<b>1727.9</b>
Mar	361.0	235.3	<b>596.3</b>	0.0	380.0	46.5	588.7	-66.7	<b>1544.9</b>
Apr	375.3	209.0	<b>584.2</b>	0.0	520.3	43.6	562.4	-139.1	<b>1571.4</b>
May	364.4	234.7	<b>599.1</b>	46.3	471.9	45.2	581.4	-118.0	<b>1626.0</b>
Jun	359.3	225.2	<b>584.5</b>	94.0	163.9	40.6	545.4	-111.6	<b>1316.6</b>
Jul	396.2	218.8	<b>614.9</b>	0.0	673.3	47.4	581.2	-105.1	<b>1811.7</b>
Aug	403.2	250.6	<b>653.9</b>	0.0	296.0	39.5	562.8	-99.5	<b>1452.7</b>
Sep	395.8	238.5	<b>634.3</b>	52.0	62.7	49.0	561.2	-98.7	<b>1260.6</b>
Oct	412.5	214.5	<b>627.0</b>	0.0	408.5	46.7	579.0	-97.5	<b>1563.7</b>
Nov	423.2	258.7	<b>681.9</b>	0.0	323.3	54.2	561.6	-108.1	<b>1512.8</b>
Dec	422.7	474.7	<b>897.4</b>	0.0	471.8	48.7	562.9	-103.0	<b>1877.8</b>
2000 Jan	389.1	287.8	<b>676.9</b>	0.0	927.7	50.9	588.1	-97.3	<b>2146.3</b>
Feb	399.7	251.4	<b>651.1</b>	0.0	785.3	62.0	583.1	-92.1	<b>1989.4</b>
Mar	414.2	225.0	<b>639.2</b>	0.0	486.5	57.8	619.0	-85.8	<b>1716.7</b>
Apr	436.9	485.0	<b>921.9</b>	0.0	750.1	59.3	664.9	-150.5	<b>2245.6</b>
May	415.4	462.3	<b>877.8</b>	0.0	627.9	57.8	691.5	-141.9	<b>2113.0</b>
Jun	428.7	352.3	<b>781.0</b>	0.0	599.1	68.8	675.4	-141.0	<b>1984.0</b>
Jul	420.3	370.5	<b>790.8</b>	0.0	945.5	64.4	684.5	-129.7	<b>2355.5</b>
Aug	422.2	356.0	<b>778.2</b>	0.0	444.8	120.3	664.0	-127.2	<b>1880.0</b>
Sep	444.9	452.2	<b>897.1</b>	0.0	167.2	73.8	714.6	-126.0	<b>1727.8</b>
Oct	434.1	522.4	<b>956.5</b>	0.0	507.1	69.9	746.9	-120.7	<b>2159.7</b>
Nov	462.0	462.9	<b>924.9</b>	0.0	303.8	68.1	779.3	-125.3	<b>1950.7</b>
Dec	481.2	321.4	<b>802.6</b>	0.0	446.3	65.5	783.9	-111.9	<b>1986.3</b>



**Table II.2(a) DEPOSIT MONEY BANKS: DETAILED ACCOUNT**  
(end of period in N\$ million)

ASSETS																	
Period	Reserves				Foreign Assets			CLAIMS ON DOMESTIC SECTOR									
	Namibian Currency	Rands	Dep. with BON	Sub- Total	Banks	Non- Banks	Sub- Total	Claims on Central Government					Regional Councils	Non-fin. Pub. Enterpr.	OBI s	Private Sector	TOTAL
								Treasury Bills	Government Securities	Loans and Advances	Other	Sub- Total					
1995	140.3	9.8	25.3	175.4	137.6	3.1	140.7	201.9	50.6	0.0	3.6	256.1	19.2	72.1	74.6	4742.8	5480.9
1996	169.6	11.2	45.5	226.3	346.5	3.2	349.7	377.8	77.9	0.0	5.2	460.9	18.6	72.2	7.0	5673.3	6808.0
1997	193.7	17.8	64.2	275.7	533.3	3.7	537.0	452.2	198.7	2.6	6.4	659.8	17.4	148.8	23.6	6553.5	8215.9
1998 I II III IV	172.5	9.8	78.5	260.9	302.9	6.9	309.8	521.2	247.0	0.3	6.4	774.9	15.3	149.4	20.4	6689.4	8220.1
	177.7	9.9	60.2	247.8	447.2	11.2	458.3	423.1	251.1	9.2	7.3	690.8	16.2	155.0	14.9	6897.0	8479.9
	158.6	7.9	86.8	253.3	604.8	6.2	610.9	476.8	253.5	2.9	7.3	740.4	13.8	173.8	10.6	6941.8	8744.6
	157.6	22.4	85.7	265.7	538.2	10.2	548.4	435.1	255.2	1.7	9.7	701.7	18.8	142.7	14.6	7129.3	8821.1
1999 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec	114.1	8.8	90.0	212.9	321.6	7.0	328.6	387.3	273.5	10.1	9.7	680.6	16.6	152.8	14.9	7309.9	8716.2
	87.4	7.8	79.3	174.6	420.0	4.5	424.5	403.6	272.7	11.2	13.8	701.4	19.1	221.6	11.2	7205.2	8757.5
	158.6	7.9	92.7	259.2	639.8	5.5	645.3	413.8	271.2	14.6	9.7	709.3	19.6	205.1	10.7	7208.6	9057.8
	130.5	9.7	87.5	227.6	603.6	5.5	609.1	431.3	271.6	8.5	6.9	718.3	19.7	189.3	10.9	7198.1	8973.0
	154.8	9.5	126.3	290.6	578.5	7.9	586.4	469.5	284.9	13.9	15.0	783.3	20.1	170.1	1.0	7190.2	9041.7
	144.4	8.2	176.3	329.0	938.1	5.8	943.9	507.6	277.6	8.5	22.7	816.4	21.4	176.7	1.6	7092.2	9381.1
	134.7	7.3	99.0	241.1	1066.8	8.7	1075.6	583.6	266.1	8.5	4.2	862.4	16.0	122.3	0.7	7113.8	9431.8
	167.0	7.0	83.6	257.7	976.5	4.0	980.5	557.6	268.6	8.5	0.8	835.6	16.0	131.2	8.7	7241.7	9471.3
	155.0	7.4	134.1	296.4	1361.8	11.4	1373.2	518.6	262.5	8.5	6.3	795.9	16.4	147.8	7.6	7188.7	9826.2
	125.3	6.5	89.2	221.0	1315.1	18.2	1333.3	626.9	257.6	8.5	10.3	903.3	16.2	152.6	11.0	7335.5	9972.9
	157.4	5.1	101.3	263.8	1083.4	9.9	1093.3	640.6	260.9	0.0	9.7	911.2	16.4	142.1	35.8	7385.3	9847.9
	273.4	9.4	227.8	510.6	872.0	5.8	877.8	730.1	265.5	9.3	15.1	1020.0	16.3	136.6	10.7	7434.2	10006.2
2000 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec	171.6	9.0	91.3	271.8	1002.0	8.4	1010.4	694.1	265.8	9.3	38.9	1008.1	14.2	146.1	8.5	7549.8	10009.2
	143.7	16.1	87.7	247.5	833.3	8.2	841.4	678.7	268.1	9.3	39.1	995.1	14.3	121.3	10.9	7580.5	9811.0
	135.4	7.9	90.3	233.6	1026.5	9.0	1035.5	638.6	300.4	9.3	0.0	948.3	14.2	128.4	0.6	7714.9	10075.5
	150.5	7.0	311.5	469.0	965.7	89.8	1055.5	621.8	267.1	9.3	0.1	898.3	14.3	124.6	0.6	7786.6	10348.7
	166.7	9.4	292.8	468.8	948.2	12.7	960.8	771.8	278.6	9.3	0.7	1060.4	14.3	132.8	0.5	7824.4	10462.1
	136.1	9.4	216.7	362.1	818.1	9.5	827.6	779.3	245.0	9.3	0.0	1033.7	16.2	143.7	0.5	8105.4	10489.1
	152.9	12.2	219.3	384.4	865.4	8.8	874.2	603.9	323.8	0.0	0.0	927.8	12.3	179.1	20.2	7939.3	10337.3
	165.5	8.9	199.6	374.1	1024.2	8.0	1032.2	501.9	351.8	0.0	0.1	853.8	12.1	179.6	20.3	8046.7	10518.8
	118.6	7.4	334.0	459.9	740.4	283.5	1023.9	547.7	329.4	9.3	22.6	909.0	12.2	174.6	20.4	8140.4	10740.4
	169.9	9.1	352.5	531.5	1306.5	10.4	1316.9	568.8	281.7	0.0	35.5	885.9	12.2	193.7	0.4	8313.2	11253.8
	183.9	14.5	279.0	477.4	1598.2	10.0	1608.3	543.6	303.6	9.3	46.5	902.9	12.2	194.4	37.9	8458.5	11691.6
	179.3	47.0	142.2	368.5	1744.2	9.0	1753.3	619.7	308.9	0.0	20.5	949.1	12.4	234.0	45.9	8699.8	12063.0

**Table II.2(b) DEPOSIT MONEY BANKS: DETAILED ACCOUNT**  
(end of period in N\$ million)

LIABILITIES															
Period	Demand Deposits	Time and Savings Deposits				Money Market Instr.	Bonds	Foreign Liabilities			Central Govt. Deposits	Credit from BON	Capital Accounts	Other Items (NET)	TOTAL
		For. Curr.	Time Dep.	Savings	Sub-Total			Banks	Non-Banks	Sub-Total					
1995	1581.9	0.0	2459.5	466.0	<b>2925.5</b>	0.0	4.1	382.0	118.6	<b>500.6</b>	73.5	0.0	432.4	-37.1	<b>5480.9</b>
1996	2516.7	0.0	2692.4	558.3	<b>3250.7</b>	0.0	8.9	201.8	93.2	<b>295.0</b>	77.9	0.0	644.0	14.8	<b>6808.0</b>
1997	2562.5	0.0	3026.5	576.5	<b>3603.0</b>	0.0	7.0	768.7	70.0	<b>838.7</b>	217.6	0.0	782.7	204.4	<b>8215.9</b>
1998 I	2556.5	0.0	3026.4	592.4	<b>3618.8</b>	0.0	6.3	694.3	79.5	<b>773.7</b>	250.1	0.0	827.2	187.6	<b>8220.1</b>
II	2843.0	0.0	2945.0	594.0	<b>3539.0</b>	0.0	4.4	806.3	81.1	<b>887.4</b>	182.0	7.7	846.3	170.1	<b>8479.9</b>
III	2997.7	0.0	3121.6	628.2	<b>3749.8</b>	0.0	4.0	567.9	95.5	<b>663.4</b>	232.0	7.8	880.3	209.6	<b>8744.6</b>
IV	3315.9	0.0	2902.0	622.9	<b>3524.9</b>	0.0	5.5	579.9	101.0	<b>680.9</b>	173.2	7.7	919.0	194.0	<b>8821.1</b>
1999 Jan	3209.8	0.0	2958.9	614.1	<b>3573.0</b>	0.0	6.8	607.4	85.3	<b>692.7</b>	187.6	7.7	951.8	86.76	<b>8716.2</b>
Feb	3196.7	0.0	3010.9	623.0	<b>3633.9</b>	0.0	4.7	463.2	78.3	<b>541.5</b>	201.8	9.8	947.6	221.50	<b>8757.5</b>
Mar	3306.7	0.0	3030.9	629.4	<b>3660.4</b>	0.0	0.0	590.3	102.7	<b>693.0</b>	246.5	9.9	967.2	174.29	<b>9057.8</b>
Apr	3451.1	0.0	2982.1	636.4	<b>3618.5</b>	0.0	13.5	351.4	104.1	<b>455.6</b>	259.5	9.9	997.6	167.09	<b>8973.0</b>
May	3386.8	0.0	3040.4	637.8	<b>3678.2</b>	0.0	15.1	407.3	104.9	<b>512.2</b>	194.7	0.0	996.3	258.40	<b>9041.7</b>
Jun	3679.1	0.0	3177.8	650.3	<b>3828.1</b>	0.0	9.4	301.8	114.9	<b>416.7</b>	184.3	10.0	987.9	265.53	<b>9381.1</b>
Jul	3627.5	0.0	3207.5	677.3	<b>3884.8</b>	0.0	7.0	321.0	104.0	<b>425.0</b>	182.8	15.0	1011.0	278.70	<b>9431.8</b>
Aug	3507.2	0.0	3294.0	702.5	<b>3996.5</b>	0.0	7.8	338.7	111.8	<b>450.5</b>	180.8	97.9	1032.0	198.64	<b>9471.3</b>
Sep	4026.1	0.0	3340.2	695.7	<b>4035.9</b>	0.0	7.7	327.9	99.0	<b>426.9</b>	142.0	100.3	1040.1	47.31	<b>9826.2</b>
Oct	4133.2	0.0	3241.0	696.3	<b>3937.3</b>	0.0	8.4	349.1	129.6	<b>478.7</b>	147.5	107.1	1060.9	100.6	<b>9973.7</b>
Nov	3985.0	0.0	3249.0	706.4	<b>3955.4</b>	0.0	8.3	379.8	116.4	<b>496.2</b>	171.6	20.5	1082.5	128.3	<b>9847.8</b>
Dec	4166.2	0.0	3369.4	667.3	<b>4036.7</b>	0.0	8.3	137.5	280.9	<b>418.4</b>	89.2	120.3	1080.7	86.4	<b>10006.2</b>
2000 Jan	4169.6	0.0	3205.5	661.8	<b>3867.3</b>	0.0	8.2	426.2	133.0	<b>559.2</b>	217.4	19.2	1107.9	60.3	<b>10009.2</b>
Feb	4036.5	0.0	3117.2	677.9	<b>3795.1</b>	0.0	8.2	390.9	108.6	<b>499.6</b>	148.0	19.2	1129.4	174.9	<b>9811.0</b>
Mar	4020.3	23.7	3301.0	682.7	<b>4007.4</b>	0.0	8.3	402.6	188.0	<b>590.6</b>	146.2	19.2	1134.9	148.6	<b>10075.5</b>
Apr	4325.9	26.3	3185.3	682.8	<b>3894.4</b>	0.0	8.1	438.9	180.0	<b>618.9</b>	156.4	32.4	1159.6	152.9	<b>10348.7</b>
May	4409.9	25.8	3197.6	674.7	<b>3898.1</b>	0.0	10.5	400.3	156.7	<b>556.9</b>	154.0	18.5	1186.6	227.4	<b>10462.1</b>
Jun	4710.4	25.5	2896.9	688.8	<b>3611.2</b>	0.0	10.1	536.1	148.3	<b>684.4</b>	139.8	18.7	1189.8	124.7	<b>10489.1</b>
Jul	4668.3	35.9	2881.7	687.0	<b>3604.5</b>	0.0	10.5	376.0	129.5	<b>505.5</b>	163.3	18.8	1194.0	172.4	<b>10337.3</b>
Aug	4639.3	0.0	2856.2	691.5	<b>3547.7</b>	0.0	10.6	325.9	280.2	<b>606.1</b>	166.6	20.1	1223.2	305.1	<b>10518.8</b>
Sep	4707.7	0.0	2985.6	685.7	<b>3671.3</b>	0.0	17.6	338.2	302.4	<b>640.6</b>	188.3	0.0	1251.0	263.8	<b>10740.4</b>
Oct	4973.8	0.0	2985.4	718.1	<b>3703.5</b>	0.0	4.2	490.7	290.9	<b>781.5</b>	174.0	0.0	1279.9	336.9	<b>11253.8</b>
Nov	4910.0	0.0	3532.1	731.2	<b>4263.3</b>	0.0	18.2	391.2	300.3	<b>691.5</b>	157.4	18.0	1313.2	319.9	<b>11691.6</b>
Dec	5298.0	0.0	3152.9	705.8	<b>3858.7</b>	0.0	1.0	713.7	267.4	<b>981.1</b>	227.5	18.5	1291.0	370.4	<b>12063.0</b>

**Table II.3 MONETARY SURVEY**  
(N\$ million)

End of Period	Foreign Assets (Net) 1	Domestic Credit				TOTAL (1-5)							TOTAL
		Central Gov t (Net) 2	Financial Sector 3	Private Sector 4	Other 5		Currency in Circulation	Demand Deposits	Savings Deposits	Time Deposits	Other Items (Net)	Broad Money M2	
1995	-325.9	685.6	75.2	4742.8	91.3	<b>5269.0</b>	240.2	1581.9	466.0	2459.5	521.4	4747.6	<b>5269.0</b>
1996	953.5	220.5	17.8	5663.2	90.8	<b>6945.8</b>	282.8	2516.7	558.4	2692.4	895.5	6050.3	<b>6945.8</b>
1997	891.8	67.8	24.3	6553.5	166.3	<b>7703.7</b>	335.6	2562.5	576.5	3026.5	1202.6	6501.1	<b>7703.7</b>
1998 I	795.2	106.4	21.1	6689.4	164.7	<b>7776.8</b>	316.3	2556.5	592.4	3026.4	1287.4	6491.5	<b>7778.9</b>
II	877.9	170.2	15.4	6897.0	171.2	<b>8131.8</b>	329.8	2843.0	594.0	2945.0	1420.1	6711.7	<b>8131.8</b>
III	1288.0	209.4	11.1	6941.8	187.6	<b>8637.9</b>	348.5	2997.7	633.1	3116.7	1541.8	7096.1	<b>8637.9</b>
IV	1355.8	112.3	15.1	7129.3	161.5	<b>8774.0</b>	364.9	3315.9	622.9	2902.0	1568.3	7205.7	<b>8774.0</b>
1999 Jan	1533.0	-356.9	15.4	7309.9	169.4	<b>8670.8</b>	355.5	3209.8	614.1	2958.9	1532.5	7138.3	<b>8670.8</b>
Feb	1568.9	-143.5	11.8	7205.2	240.7	<b>8882.9</b>	367.9	3196.7	623.0	3010.9	1684.5	7198.5	<b>8882.9</b>
Mar	1450.1	82.8	11.4	7208.6	224.7	<b>8977.6</b>	361.0	3306.7	629.4	3030.9	1649.5	7328.1	<b>8977.6</b>
Apr	1680.6	-61.5	11.6	7198.1	209.0	<b>9037.7</b>	375.3	3451.1	636.4	2982.1	1592.8	7444.9	<b>9037.7</b>
May	1654.4	116.7	1.6	7190.2	190.2	<b>9153.2</b>	364.5	3386.8	637.8	3040.4	1723.8	7429.5	<b>9153.2</b>
Jun	1802.6	268.2	6.4	7092.2	194.0	<b>9563.4</b>	359.3	3679.1	650.3	3177.8	1697.0	7866.4	<b>9563.4</b>
Jul	2414.2	6.3	5.5	7113.8	134.1	<b>9673.9</b>	396.2	3627.5	677.3	3207.5	1765.5	7908.5	<b>9673.9</b>
Aug	1942.6	358.8	15.7	7241.7	140.8	<b>9699.6</b>	403.2	3507.2	702.5	3294.0	1792.6	7907.0	<b>9699.6</b>
Sep	2157.0	591.2	8.9	7188.7	164.3	<b>10110.2</b>	395.8	4026.1	695.7	3340.2	1652.5	8457.8	<b>10110.2</b>
Oct	2371.0	347.2	12.4	7335.5	168.8	<b>10234.9</b>	412.5	4133.2	696.3	3241.0	1751.8	8483.0	<b>10234.8</b>
Nov	2055.0	416.3	36.4	7385.3	158.6	<b>10051.6</b>	423.2	3985.0	706.4	3249.0	1688.0	8363.6	<b>10051.6</b>
Dec	2287.8	459.0	11.4	7434.2	153.0	<b>10345.4</b>	422.7	4166.2	667.3	3369.4	1719.7	8625.6	<b>10345.3</b>
2000 Jan	2546.0	-136.9	9.2	7549.8	160.4	<b>10128.5</b>	389.1	4169.6	661.8	3205.5	1702.5	8426.0	<b>10128.5</b>
Feb	2268.5	61.8	11.6	7580.5	135.6	<b>10058.0</b>	399.7	4036.5	677.9	3117.2	1826.7	8231.3	<b>10058.0</b>
Mar	2103.1	315.5	1.3	7714.8	142.6	<b>10277.2</b>	414.2	4020.3	682.4	3324.7	1835.5	8441.7	<b>10277.2</b>
Apr	2622.1	-8.3	1.3	7786.6	138.9	<b>10540.6</b>	436.9	4325.9	682.8	3211.6	1883.4	8657.2	<b>10540.6</b>
May	2458.4	278.5	1.2	7824.4	147.1	<b>10709.6</b>	415.4	4409.4	674.7	3223.5	1986.2	8723.4	<b>10709.6</b>
Jun	2057.1	294.7	1.2	8105.4	159.9	<b>10618.2</b>	428.7	4710.4	688.8	2922.3	1868.0	8750.2	<b>10618.2</b>
Jul	2659.3	-181.0	20.9	7939.3	191.4	<b>10629.8</b>	420.3	4668.3	687.0	2917.6	1936.7	8693.1	<b>10629.8</b>
Aug	2185.2	242.4	21.0	8046.7	191.7	<b>10687.1</b>	422.2	4639.3	691.5	2856.2	2077.9	8609.2	<b>10687.1</b>
Sep	2035.0	553.3	21.1	8140.0	186.7	<b>10937.0</b>	444.9	4707.7	685.7	2985.6	2113.1	8823.9	<b>10937.0</b>
Oct	2624.5	204.8	1.0	8313.2	205.9	<b>11349.5</b>	434.2	4973.8	718.1	2985.3	2238.2	9111.4	<b>11349.5</b>
Nov	2798.9	441.8	38.6	8458.5	206.6	<b>11944.3</b>	462.0	4910.0	731.2	3532.1	2309.0	9635.4	<b>11944.3</b>
Dec	2692.4	275.3	46.6	8699.8	246.4	<b>11960.5</b>	481.2	5298.0	705.8	3152.9	2322.7	9637.9	<b>11960.5</b>

Note: Financial Sector refers to: - Other Banking Institutions  
- Nonbank Financial Institutions

Other refers to: - Non-financial Public Enterprise  
- Local Authority and Regional Councils

**Table II.4(a) OTHER BANKING INSTITUTIONS: DETAILED ACCOUNT**  
(end of period N\$ million)

ASSETS	1995	1996	1997	1998				1999												2000											
				I	II	III	IV	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1. RESERVES	171.0	92.4	161.7	121.6	97.0	96.7	120.2	129.6	143.8	118.6	174.7	159.6	231.9	230.1	217.2	208.6	174.3	171.2	189.6	217.5	179.1	214.5	178.8	174.1	200.7	170.0	140.7	202.0	204.7	180.3	123.5
2. FOREIGN ASSETS	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
a. Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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. Non-banks	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. CLAIMS ON CENTRAL GOVERNMENT	5.1	140.0	166.4	175.0	116.7	32.9	151.9	142.5	148.5	135.1	102.9	126.5	153.7	205.0	176.3	163.9	208.5	229.2	209.5	196.2	88.8	79.1	88.4	41.6	40.8	46.5	54.7	53.0	34.8	34.0	34.3
a. Treasury bills	5.1	140.0	166.4	175.0	116.7	32.9	151.9	133.5	139.5	126.0	93.9	103.6	112.3	153.8	134.6	122.2	91.7	108.8	89.4	76.0	75.4	65.7	71.2	24.8	23.6	24.2	32.3	30.6	12.4	11.2	10.8
b. Government securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
c. Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.0	9.0	9.1	9.1	22.9	41.5	51.2	41.7	41.7	116.8	120.4	120.1	120.2	13.3	13.5	17.1	16.7	17.2	22.3	22.4	22.4	22.5	22.7	23.5
4. CLAIMS ON LOCAL AUTHORITIES AND REGIONAL COUNCILS	5.3	5.3	5.2	5.2	5.1	5.1	5.1	5.0	5.0	5.1	5.0	5.0	5.0	4.9	5.0	5.0	4.9	4.9	5.0	4.9	4.9	4.9	4.8	4.9	4.9	4.9	4.8	4.8	4.8	4.8	4.9
5. CLAIMS ON NON-FIN PUB. ENTERP.	7.8	4.5	4.7	6.1	6.4	7.1	7.5	7.8	7.8	7.8	8.0	7.9	7.8	7.5	7.3	6.7	7.9	8.0	8.6	8.9	86.7	86.9	82.1	133.8	133.9	156.8	157.8	157.0	155.1	190.8	211.6
a. Securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
b. Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.2	13.2	0.0	0.0	0.0	0.0	
c. Leasing transactions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
d. Other	7.8	4.5	4.7	6.1	6.4	7.1	7.5	7.8	7.8	7.8	8.0	7.9	7.8	7.5	7.3	6.7	7.9	8.0	8.6	8.9	86.7	86.9	82.1	133.8	133.9	145.6	144.6	157.0	155.1	190.8	211.6
6. CLAIMS ON NONBANK F. INST.	9.7	8.0	17.7	17.2	17.7	17.9	18.1	17.9	17.8	18.4	18.4	18.9	18.7	14.4	14.4	14.5	14.4	14.6	14.6	14.4	14.4	13.4	13.5	13.6	13.1	12.8	12.8	12.9	12.8	12.8	12.9
7. CLAIMS ON PRIVATE SECTOR	1519.6	1352.9	1402.5	1462.5	1509.3	1575.2	1623.6	1628.0	1643.3	1671.0	1692.9	1697.6	1718.8	1732.6	1745.9	1759.8	1777.8	1789.7	1799.5	1815.3	1807.9	1824.5	1868.8	1888.1	1902.8	1918.3	1950.7	1979.0	2009.4	2045.4	2091.8
a. Individuals	1448.0	1291.0	1356.2	1419.4	1465.9	1533.4	1582.2	1587.3	1602.8	1630.5	1653.5	1658.9	1679.9	1693.8	1707.4	1721.3	1739.3	1750.5	1760.3	1776.1	1782.2	1798.8	1843.0	1862.2	1876.9	1892.4	1924.8	1953.0	1983.5	2019.5	2065.8
b. Business	71.6	61.9	46.3	43.2	43.4	41.8	41.4	40.6	40.5	40.5	39.4	38.8	38.8	38.8	38.5	38.5	38.5	39.2	39.2	39.2	25.7	25.7	25.8	25.8	25.8	25.9	25.9	26.0	25.9	26.0	26.1
8. CLAIMS ON DMB s	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9. TOTAL ASSETS	1719.0	1603.1	1758.3	1787.6	1752.3	1734.9	1926.4	1930.7	1966.2	1956.2	2001.9	2015.5	2135.9	2194.6	2166.0	2158.5	2187.7	2215.6	2206.8	2257.2	2181.7	2223.3	2236.4	2256.0	2296.2	2309.4	2321.5	2408.7	2421.7	2468.2	2479.0

**Table II.4(b) OTHER BANKING INSTITUTIONS: DETAILED ACCOUNT**  
(end of period N\$ million)

LIABILITIES	1995	1996	1997	1998				1999												2000											
				I	II	III	IV	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>1. TIME, SAVINGS AND FOREIGN C. DEP.</b>	795.2	718.1	845.4	841.1	818.7	870.8	868.8	872.5	894.7	907.1	962.7	956.6	1046.8	1094.3	1173.7	1085.6	1117.1	1137.0	1123.3	1178.1	1124.3	1163.9	1159.1	1167.5	1194.4	1177.9	1169.0	1248.3	1276.2	1282.9	1284.2
a. Time Deposits	217.4	140.8	182.1	173.4	158.7	159.9	168.1	172.3	176.9	177.9	199.0	190.1	192.4	194.3	190.0	185.8	169.4	185.2	191.4	208.8	214.1	238.3	250.5	257.4	267.1	266.1	262.9	279.4	268.3	307.5	301.3
b. Savings Deposits	577.8	577.3	663.3	667.8	660.0	710.9	700.7	700.2	717.8	729.2	763.7	766.5	854.4	900.0	983.7	899.8	947.7	951.8	931.9	969.3	910.2	925.6	908.6	910.1	927.3	911.7	906.1	968.9	1007.9	975.4	983.0
c. Foreign Currency Deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>2. MONEY MARKET INSTRUMENTS</b>	180.3	234.6	197.8	198.9	200.2	200.5	182.5	181.4	179.7	180.1	43.2	43.1	44.2	44.3	44.9	44.7	45.1	45.6	45.8	43.8	43.8	43.9	44.3	45.3	45.7	46.1	46.5	46.3	46.6	46.1	45.4
<b>3. BONDS</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>4. FOREIGN LIABILITIES</b>	10.2	9.9	15.0	19.6	33.5	32.3	23.5	21.4	26.3	26.3	27.3	29.6	36.7	31.1	26.9	28.1	30.1	29.7	25.7	28.8	35.4	31.6	48.2	43.7	80.3	77.7	84.3	88.9	83.1	79.6	83.6
a. Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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. Nonbanks	10.2	9.9	15.0	19.6	33.5	32.3	23.5	21.4	26.3	26.3	27.3	29.6	36.7	31.1	26.9	28.1	30.1	29.7	25.7	28.8	35.4	31.6	48.2	43.7	80.3	77.7	84.3	88.9	83.1	79.6	83.6
<b>5. CENTRAL GOVERNMENT DEPOSITS</b>	18.0	7.1	3.4	3.5	3.6	3.6	3.7	3.6	3.3	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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>6. CREDIT FROM CENTRAL BANK</b>	0.7	0.5	0.5	0.6	0.5	0.4	7.9	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5
<b>7. CREDIT FROM DMB s</b>	68.5	35.6	36.3	34.8	29.1	30.6	41.0	38.4	38.9	39.2	41.8	42.7	46.5	41.5	42.0	41.4	36.4	36.4	38.0	43.1	48.3	51.8	49.9	50.9	53.2	55.7	56.8	61.6	63.6	76.2	74.4
<b>8. CAPITAL ACCOUNTS</b>	821.2	792.2	894.7	916.0	923.2	940.0	960.2	969.3	979.0	985.6	1007.4	1018.4	1027.9	1049.9	1059.4	1064.7	1079.9	1090.3	1099.9	1111.5	1130.0	1147.6	1141.2	1153.1	1132.1	1144.3	1154.3	1155.7	1172.3	1186.0	1237.3
<b>9. OTHER ITEMS (NET)</b>	-175.1	-194.9	-234.8	-226.9	-256.4	-343.2	-161.2	-156.4	-156.3	-185.9	-80.9	-75.4	-66.6	-66.9	-106.1	-106.4	-122.8	-123.8	-126.4	-148.5	-200.4	-216.1	-206.8	-205.0	-209.9	-192.7	-189.9	-192.5	-220.6	-203.2	-246.3
a. Unclassified Liabilities	65.8	99.8	103.3	103.4	92.2	138.7	204.8	205.3	208.4	180.9	305.3	295.1	328.9	352.1	335.3	322.8	64.3	311.6	323.1	281.7	270.9	271.8	272.9	274.8	274.9	256.1	266.4	294.6	311.8	307.0	268.0
b. Less: Unclassified Assets	240.9	294.7	338.1	330.3	348.6	482.0	365.9	361.7	364.7	366.8	386.2	370.4	395.5	419.0	441.3	429.2	187.1	435.4	449.5	430.2	471.4	487.9	479.7	479.9	484.8	448.8	456.3	487.1	532.4	510.2	514.4
<b>10. TOTAL LIABILITIES</b>	1719.0	1603.1	1758.3	1787.6	1752.3	1734.9	1926.4	1930.7	1966.2	1956.2	2002.0	2015.5	2135.9	2194.6	2241.2	2158.5	2186.2	2215.6	2206.7	2257.2	2181.7	2223.3	2236.4	2256.0	2296.2	2309.4	2321.5	2408.7	2421.7	2468.2	2479.0

**Table II.5 BANKING SURVEY**  
(end of period N\$ million)

End of Period	Net Foreign Assets	Domestic Credit				Total	Money Supply				TOTAL
		To Gov t (Net)	Financial Sector	Private Sector	Other		Monetary Liabilities	Quasi-Monetary Liabilities	Total	Other Items (Net)	
1995	-335.6	672.7	9.7	6262.3	104.4	<b>6713.5</b>	1651.1	3720.7	<b>5371.8</b>	1341.7	<b>6713.5</b>
1996	943.6	353.4	18.1	7016.2	100.6	<b>8431.9</b>	2707.1	3968.9	<b>6676.0</b>	1755.9	<b>8431.9</b>
1997	876.9	230.8	17.7	7956.1	176.2	<b>9257.7</b>	2736.3	4448.5	<b>7184.8</b>	2072.9	<b>9257.7</b>
1998 I	775.6	277.8	17.2	8152.0	175.9	<b>9398.6</b>	2751.2	4459.9	<b>7211.1</b>	2187.5	<b>9398.6</b>
II	-366.9	717.1	8.0	6666.0	103.5	<b>7127.7</b>	1946.8	3663.3	<b>5610.1</b>	1517.6	<b>7127.7</b>
III	499.9	140.8	17.0	6788.7	99.8	<b>7546.2</b>	2027.0	4013.7	<b>6040.7</b>	1505.5	<b>7546.2</b>
IV	943.6	353.4	18.1	7016.2	100.6	<b>8431.9</b>	2707.1	3968.9	<b>6676.0</b>	1755.9	<b>8431.9</b>
1999 Jan	1511.5	-218.0	17.9	8937.9	182.2	<b>10431.5</b>	3435.7	4445.5	<b>7881.1</b>	2550.4	<b>10431.5</b>
Feb	1542.5	1.6	17.8	8848.4	253.5	<b>10663.9</b>	3420.8	4528.6	<b>7949.4</b>	2714.5	<b>10663.9</b>
Mar	1423.8	214.5	18.4	8879.6	237.6	<b>10773.9</b>	3549.0	4567.4	<b>8116.4</b>	2657.5	<b>10773.9</b>
Apr	1653.3	41.4	18.4	8891.0	221.9	<b>10826.1</b>	3651.7	4581.2	<b>8232.9</b>	2593.2	<b>10826.1</b>
May	1624.9	243.2	18.9	8887.8	203.1	<b>10977.8</b>	3591.6	4634.8	<b>8226.4</b>	2751.4	<b>10977.8</b>
Jun	1765.9	621.9	22.9	8810.9	206.8	<b>11428.4</b>	3806.4	4874.9	<b>8681.3</b>	2747.1	<b>11428.4</b>
Jul	2383.1	211.3	18.6	8846.4	146.5	<b>11605.9</b>	3793.6	4979.1	<b>8772.6</b>	2833.3	<b>11605.9</b>
Aug	1915.7	535.0	6.4	8987.5	153.0	<b>11597.7</b>	3693.3	5080.6	<b>8773.9</b>	2823.8	<b>11597.7</b>
Sep	2128.9	755.1	22.0	8948.5	176.0	<b>12030.6</b>	4213.2	5121.5	<b>9334.7</b>	2695.9	<b>12030.6</b>
Oct	2340.9	555.6	25.4	9113.3	181.6	<b>12216.8</b>	4371.4	5054.4	<b>9425.8</b>	2791.1	<b>12216.9</b>
Nov	2025.3	643.7	49.6	9175.0	171.5	<b>12065.1</b>	4237.0	5092.5	<b>9329.5</b>	2735.5	<b>12065.0</b>
Dec	2262.1	668.5	24.7	9233.7	166.5	<b>12355.5</b>	4419.3	5160.0	<b>9579.3</b>	2776.2	<b>12355.5</b>
2000 Jan	2517.2	59.3	22.3	9365.1	174.1	<b>12138.1</b>	4341.2	5045.4	<b>9386.6</b>	2751.5	<b>12138.1</b>
Feb	2233.1	150.6	24.7	9388.4	227.2	<b>12023.9</b>	4257.0	4919.4	<b>9176.5</b>	2847.4	<b>12023.9</b>
Mar	2071.5	394.7	13.5	9539.4	234.2	<b>12253.3</b>	4220.1	5171.3	<b>9391.4</b>	2861.9	<b>12253.3</b>
Apr	2573.9	80.1	13.5	9655.3	225.8	<b>12548.6</b>	4584.0	5053.5	<b>9637.5</b>	2911.2	<b>12548.7</b>
May	2414.7	320.0	13.6	9712.4	285.8	<b>12746.6</b>	4651.3	5065.7	<b>9716.9</b>	3029.7	<b>12746.6</b>
Jun	1976.8	335.5	13.1	10008.1	298.6	<b>12632.2</b>	4938.4	4805.5	<b>9743.9</b>	2888.3	<b>12632.2</b>
Jul	2581.6	-134.5	12.8	9857.7	353.1	<b>12670.7</b>	4918.6	4782.4	<b>9701.0</b>	2969.6	<b>12670.7</b>
Aug	2100.9	297.1	12.8	9997.5	354.3	<b>12762.7</b>	4920.8	4716.7	<b>9637.6</b>	3125.1	<b>12762.7</b>
Sep	1946.6	606.3	12.9	10119.4	348.5	<b>13033.7</b>	4950.6	4919.6	<b>9870.2</b>	3163.5	<b>13033.7</b>
Oct	2541.4	239.6	12.8	10322.6	365.8	<b>13482.4</b>	5203.2	4979.7	<b>10182.8</b>	3299.5	<b>13482.4</b>
Nov	2719.3	475.7	50.4	10503.9	402.3	<b>14151.6</b>	5191.7	5546.3	<b>10738.0</b>	3413.6	<b>14151.6</b>
Dec	2608.8	309.6	58.4	10791.7	462.9	<b>14231.4</b>	5655.7	5142.9	<b>10798.6</b>	3432.9	<b>14231.4</b>

Note: Other refers to claims on:- Non-financial Public Enterprises  
- Local Authority and Regional Councils by both DMB s and OBI s

Financial sector refers to:- Other Banking Institutions  
- Nonbank Financial Institutions

**Table II.6 TYPES OF DEPOSIT MONEY BANKS DEPOSITS**

(in N\$ million)

Period	Demand Deposits	Savings Deposits	Time Deposits				TOTAL
			Short Term	Medium Term	Long Term	Sub-Total	
1995	1641.6	446.0	673.8	1334.1	505.5	2513.4	<b>4621.0</b>
1996	2617.7	559.0	722.4	1589.0	433.2	2744.6	<b>5921.3</b>
1997	2929.1	592.8	674.3	1762.5	557.7	2994.5	<b>6516.5</b>
1998 I	2701.5	592.4	852.3	1624.5	707.7	3184.6	<b>6478.6</b>
II	2937.5	594.0	589.3	1525.7	913.8	3028.8	<b>6560.2</b>
III	3091.4	628.2	877.1	1633.6	715.1	3225.8	<b>6945.4</b>
IV	3376.6	622.9	696.2	1918.6	339.2	2954.0	<b>6953.6</b>
1999 Jan	3270.1	614.1	897.5	1764.6	351.6	3013.7	<b>6897.8</b>
Feb	3299.3	623.0	927.2	1827.9	300.4	3055.5	<b>6977.9</b>
Mar	3430.4	629.4	954.9	1802.3	379.0	3136.2	<b>7196.1</b>
Apr	3632.1	636.4	861.4	1665.2	539.8	3066.4	<b>7334.9</b>
May	3571.9	637.8	819.4	1594.9	700.5	3114.8	<b>7324.5</b>
Jun	3830.7	650.3	635.6	1554.7	1060.8	3251.1	<b>7732.1</b>
Jul	3767.4	678.0	676.0	1566.3	1053.0	3295.3	<b>7740.7</b>
Aug	3702.3	702.5	711.7	1569.4	1094.9	3376.0	<b>7780.8</b>
Sep	4254.3	695.7	729.6	1713.0	950.2	3392.8	<b>8342.8</b>
Oct	4247.7	696.3	632.5	1731.6	944.9	3309.0	<b>8253.1</b>
Nov	4139.6	706.4	610.2	1978.2	756.5	3344.9	<b>8190.9</b>
Dec	4174.0	667.4	722.7	2207.1	444.4	3374.1	<b>8215.5</b>
2000 Jan	4377.4	661.8	805.5	2037.6	430.2	3273.4	<b>8312.6</b>
Feb	4173.8	677.9	722.9	1963.5	479.5	3165.9	<b>8017.6</b>
Mar	4085.6	682.7	791.5	1955.7	571.7	3318.9	<b>8087.2</b>
Apr	4340.2	682.8	873.7	1869.0	476.5	3219.2	<b>8242.2</b>
May	4494.8	674.7	1017.0	1665.7	544.2	3226.8	<b>8396.3</b>
Jun	4856.8	688.8	823.8	1422.3	669.0	2915.1	<b>8460.7</b>
Jul	4804.1	687.0	805.1	1493.6	637.8	2936.5	<b>8427.6</b>
Aug	4794.0	691.5	731.5	1526.9	640.3	2898.6	<b>8384.1</b>
Sep	4869.7	685.7	898.5	1528.7	598.3	3025.5	<b>8581.0</b>
Oct	5214.9	718.1	789.2	1699.5	543.8	3032.4	<b>8965.4</b>
Nov	5075.6	732.8	924.7	2129.6	528.4	3582.7	<b>9391.1</b>
Dec	5507.6	705.8	854.3	2167.1	273.6	3295.0	<b>9508.3</b>



**Table II.7 SOURCES OF DEPOSIT MONEY BANKS DEPOSITS**

(in N\$ million)

Period	DEMAND DEPOSITS						SAVINGS DEPOSITS						TIME DEPOSITS						TOTAL	
	Private Sector		Financial Sector	Central Govt.	Other	Total	Private sector		Financial Sector	Central Govt.	Other	Total	Private Sector		Financial Sector	Central Govt.	Other	Total		
	Busin.	Indiv.					Busin.	Indiv.					Busin.	Indiv.						
1995	713.5	651.4	119.1	34.6	123.0	1641.6	10.0	456.0	0.0	0.0	0.0	466.0	565.9	855.6	431.0	4.0	656.9	2513.4	4621.0	
1996	1182.2	908.7	294.0	44.1	188.7	2617.7	12.6	545.0	0.6	0.6	0.1	559.0	582.2	1115.1	274.7	23.7	748.9	2744.6	5921.3	
1997	1091.3	992.8	329.7	116.9	171.7	2702.5	8.6	567.5	0.0	0.0	0.1	576.2	674.6	1147.3	339.2	63.6	865.4	3090.1	6368.8	
1998	I	1040.3	1101.6	319.9	95.5	104.8	2662.1	8.6	575.1	5.0	0.0	0.1	588.8	740.4	1081.4	265.6	145.1	871.5	3104.0	6354.9
	II	1261.1	1182.1	292.0	75.8	125.4	2937.5	8.7	585.2	0.0	0.0	0.1	594.0	665.2	985.0	344.6	27.3	1006.7	3028.8	6560.2
	III	1289.3	1074.9	538.8	81.8	106.7	3091.4	6.7	621.4	0.0	0.0	0.1	628.2	694.5	1056.2	332.8	85.5	1056.8	3225.8	6945.4
	IV	1482.2	1160.2	577.7	61.6	95.1	3376.7	8.5	614.3	0.0	0.0	0.1	622.9	613.0	1068.6	309.0	51.4	912.1	2954.0	6953.6
1999	Jan	1382.6	1104.9	595.8	70.2	116.5	3270.1	9.4	604.6	0.0	0.0	0.1	614.1	658.9	1085.3	302.9	53.0	912.8	3012.9	6897.0
	Feb	1433.8	1083.5	553.4	98.0	130.5	3299.3	7.9	615.0	0.0	0.0	0.1	623.0	693.2	1107.7	321.7	36.3	896.6	3055.5	6977.9
	Mar	1597.5	1073.7	561.4	103.3	94.5	3430.4	9.3	620.1	0.0	0.0	0.1	629.4	703.0	1141.6	345.8	73.7	872.1	3136.2	7196.1
	Apr	1614.7	1114.2	676.6	128.0	98.7	3632.1	10.1	626.2	0.0	0.0	0.1	636.4	696.6	1113.7	307.0	74.1	875.0	3066.4	7335.0
	May	1706.0	1034.1	579.5	121.2	131.2	3571.9	9.8	627.9	0.0	0.0	0.1	637.9	651.0	1155.5	287.0	73.2	948.1	3114.8	7324.6
	Jun	1955.2	1032.5	599.4	129.4	114.2	3830.7	9.3	640.9	0.0	0.0	0.0	650.3	687.7	1167.5	283.3	70.9	1041.7	3251.1	7732.0
	Jul	1731.7	1133.5	584.1	102.3	215.9	3767.4	9.4	667.8	0.0	0.0	0.8	678.0	680.5	1197.9	281.6	82.2	1053.1	3295.3	7740.8
	Aug	1578.5	1223.6	570.8	99.7	229.7	3702.3	10.3	692.1	0.0	0.0	0.1	702.5	695.4	1200.0	357.8	81.2	1041.5	3376.0	7780.8
	Sep	2011.2	1208.7	714.0	91.7	228.7	4254.3	10.3	685.3	0.0	0.0	0.1	695.7	774.0	1223.2	319.6	52.6	1023.4	3392.8	8342.8
	Oct	1883.3	1223.6	729.0	82.4	329.4	4247.7	10.2	686.0	0.0	0.0	0.1	696.3	738.9	1185.6	320.7	66.3	995.5	3307.0	8251.0
	Nov	1891.0	1175.0	738.7	79.9	255.0	4139.6	10.7	695.7	0.0	0.0	0.1	706.4	769.4	1203.2	296.4	94.6	981.3	3344.9	8190.9
	Dec	1785.6	1236.1	733.5	86.7	332.1	4174.0	10.3	657.0	0.0	0.0	0.0	667.3	887.5	1199.7	333.7	2.8	950.4	3374.1	8215.5
2000	Jan	1887.6	1195.7	925.2	103.8	265.0	4377.4	10.7	650.7	0.0	0.0	0.4	661.8	870.7	1192.1	262.1	52.4	896.2	3273.4	8312.6
	Feb	1600.0	1259.3	895.5	109.9	309.1	4173.9	9.9	667.7	0.0	0.0	0.4	677.9	888.9	1180.0	166.8	37.7	892.4	3165.8	8017.6
	Mar	1848.7	1190.4	710.8	128.0	207.7	4085.6	10.1	672.2	0.0	0.0	0.4	682.7	875.9	1180.6	257.9	17.7	986.8	3318.9	8087.2
	Apr	1802.6	1358.8	783.5	121.2	274.0	4340.1	10.7	671.7	0.0	0.0	0.4	682.8	852.7	1156.6	222.1	33.8	953.9	3219.1	8242.0
	May	1983.6	1413.5	663.6	125.9	308.2	4494.8	9.6	665.0	0.0	0.0	0.0	674.7	954.8	1116.5	412.8	29.0	713.7	3226.8	8396.3
	Jun	2124.3	1513.7	729.0	124.8	365.0	4856.8	10.5	678.3	0.0	0.0	0.1	688.8	914.4	1021.1	221.7	18.0	739.9	2915.1	8460.8
	Jul	2182.8	1454.6	683.0	150.3	333.3	4804.1	9.8	677.1	0.0	0.0	0.1	687.0	934.4	993.5	249.1	14.6	744.9	2936.5	8427.6
	Aug	2099.8	1553.9	635.6	146.7	358.0	4794.0	10.1	681.3	0.0	0.0	0.1	691.5	958.4	1013.1	201.2	21.2	704.7	2898.6	8384.1
	Sep	2177.2	1539.1	606.9	168.4	378.1	4869.7	10.2	675.4	0.0	0.0	0.1	685.7	1097.5	1007.4	249.6	18.6	652.5	3025.5	8581.0
	Oct	2317.0	1509.0	880.9	144.2	363.8	5214.9	11.0	707.0	0.0	0.0	0.1	718.1	1159.2	1014.7	228.4	31.7	598.4	3032.4	8965.4
	Nov	2215.1	1457.8	1031.6	126.4	244.6	5075.6	12.0	719.2	0.6	0.2	0.8	732.8	1589.5	1034.6	255.5	30.5	672.5	3582.7	9391.1
	Dec	2271.2	1840.0	1006.5	138.9	251.1	5507.7	12.2	693.5	0.0	0.0	0.1	705.8	1263.2	1079.0	297.4	88.0	567.2	3294.8	9508.3

Note: Other refers to: Non-Financial Public Enterprises  
Local Authority and Regional Councils



**Table II.8 SECTORAL DISTRIBUTION OF DEPOSIT MONEY BANKS DEPOSITS**

(in N\$ million)

Period	PRIVATE SECTOR		Total	Financial Sector	Central Government	Other	TOTAL
	Busin.	Indiv.					
1995	1289.4	1963.0	<b>3252.4</b>	550.1	38.6	779.9	<b>4621.0</b>
1996	1777.0	2568.8	<b>4345.8</b>	569.3	68.4	937.7	<b>5921.3</b>
1997	1774.5	2707.6	<b>4482.2</b>	668.9	180.6	1037.2	<b>6368.8</b>
1998 I	1789.3	2758.1	<b>4547.4</b>	590.5	240.6	976.5	<b>6354.9</b>
II	1936.0	2752.2	<b>4688.2</b>	636.7	103.1	1132.2	<b>6560.2</b>
III	1990.5	2752.5	<b>4743.0</b>	871.6	167.2	1163.6	<b>6945.4</b>
IV	2103.6	2843.0	<b>4946.6</b>	886.7	113.0	1007.3	<b>6953.6</b>
1999 Jan	2050.9	2794.8	<b>4845.7</b>	898.8	123.2	1029.4	<b>6897.0</b>
Feb	2134.9	2806.2	<b>4941.1</b>	875.2	134.3	1027.3	<b>6977.9</b>
Mar	2309.8	2835.3	<b>5145.1</b>	907.2	177.0	966.7	<b>7196.1</b>
Apr	2321.4	2854.1	<b>5175.5</b>	983.6	202.1	973.8	<b>7335.0</b>
May	2366.9	2817.5	<b>5184.4</b>	866.5	194.4	1079.3	<b>7324.6</b>
Jun	2652.2	2840.9	<b>5493.0</b>	882.7	200.3	1156.0	<b>7732.0</b>
Jul	2421.6	2999.2	<b>5420.9</b>	865.7	184.5	1269.8	<b>7740.8</b>
Aug	2284.2	3115.7	<b>5399.9</b>	928.6	180.9	1271.3	<b>7780.8</b>
Sep	2795.5	3117.2	<b>5912.7</b>	1033.7	144.3	1252.2	<b>8342.8</b>
Oct	2632.5	3095.2	<b>5727.7</b>	1049.6	148.7	1325.0	<b>8251.0</b>
Nov	2671.1	3073.9	<b>5745.0</b>	1035.1	174.5	1236.3	<b>8190.9</b>
Dec	2683.4	3092.8	<b>5776.2</b>	1067.2	89.5	1282.6	<b>8215.5</b>
2000 Jan	2769.0	3038.6	<b>5807.5</b>	1187.3	156.2	1161.6	<b>8312.6</b>
Feb	2498.8	3107.0	<b>5605.8</b>	1062.3	147.6	1201.9	<b>8017.6</b>
Mar	2734.7	3043.2	<b>5777.9</b>	968.7	145.8	1194.8	<b>8087.2</b>
Apr	2666.0	3187.1	<b>5853.1</b>	1005.6	155.1	1228.3	<b>8242.2</b>
May	2948.1	3194.9	<b>6143.0</b>	1076.4	154.9	1022.0	<b>8396.3</b>
Jun	3049.2	3213.1	<b>6262.3</b>	950.7	142.8	1105.0	<b>8460.8</b>
Jul	3127.0	3125.3	<b>6252.3</b>	932.0	164.9	1078.3	<b>8427.6</b>
Aug	3068.3	3248.4	<b>6316.7</b>	836.8	167.9	1062.8	<b>8384.1</b>
Sep	3287.8	3221.9	<b>6506.8</b>	856.5	187.1	1030.6	<b>8581.0</b>
Oct	3487.2	3230.7	<b>6718.0</b>	1109.3	175.9	962.3	<b>8965.4</b>
Nov	3816.6	3211.7	<b>7028.3</b>	1287.7	157.2	917.9	<b>9391.1</b>
Dec	3546.6	3612.4	<b>7159.1</b>	1303.9	226.9	818.4	<b>9508.3</b>

Note: Other refers to: Non-Financial Public Enterprises  
Local Authority and Regional Councils

**Table II.9 SOURCES OF OTHER BANKING INSTITUTIONS DEPOSITS**

(in N\$ million)

Period	SAVINGS DEPOSITS						TIME DEPOSITS						TOTAL DEPOSITS	
	Private Sector		Financial Sector	Central Govt.	Other	Total	Private Sector		Financial Sector	Central Govt.	Other	Total		
	Busin.	Indiv.					Busin.	Indiv.						
1995	4.7	481.4	73.7	0.5	18.0	578.3	41.2	19.9	131.1	3.4	77.4	273.0	851.3	
1996	1.9	509.5	65.8	0.0	0.1	577.3	4.4	14.5	93.4	0.0	60.1	172.4	749.7	
1997	2.2	584.7	76.4	0.0	0.1	663.4	5.0	21.6	107.4	0.0	84.4	218.4	881.8	
1998	I	2.2	587.1	78.4	0.0	0.1	667.8	4.8	20.3	102.9	0.0	80.2	208.2	875.9
	II	2.2	581.4	76.3	0.0	0.1	660.0	4.0	16.2	86.1	0.0	81.4	187.8	847.8
	III	2.3	625.5	82.9	0.0	0.1	710.9	4.2	16.1	90.4	0.0	79.8	190.4	901.3
	IV	2.3	615.9	81.4	0.0	0.1	699.7	5.6	20.5	202.6	0.0	61.7	290.4	990.1
1999	Jan	2.3	616.1	81.7	0.0	0.1	700.2	5.3	17.8	113.6	0.0	74.1	210.7	910.9
	Feb	2.4	631.0	84.3	0.0	0.1	717.8	5.4	18.0	115.2	0.0	77.3	215.9	933.7
	Mar	2.4	641.6	85.1	0.0	0.1	729.2	5.4	18.1	116.0	0.0	77.6	217.1	946.3
	Apr	2.5	672.0	89.1	0.0	0.1	763.7	5.8	19.3	123.7	0.0	92.0	240.8	1004.5
	May	2.5	676.1	87.8	0.0	0.1	766.5	5.9	19.7	126.2	0.0	81.0	232.8	999.3
	Jun	2.8	753.0	98.5	0.0	0.1	854.4	6.4	21.5	137.5	0.0	73.5	238.9	1093.3
	Jul	2.9	792.9	103.9	0.0	0.1	899.9	5.7	19.2	122.7	0.0	88.2	235.8	1135.8
	Aug	2.8	790.1	100.6	0.0	0.1	893.7	5.8	19.4	124.2	0.0	83.0	232.4	1126.1
	Sep	2.8	797.4	99.5	0.0	0.1	899.8	5.7	19.1	122.5	0.0	79.9	227.2	1127.0
	Oct	3.0	838.2	106.5	0.0	0.1	947.8	5.0	254.8	107.6	0.0	76.3	443.7	1391.6
	Nov	3.0	842.1	106.5	0.0	0.1	951.8	5.0	257.9	107.7	0.0	92.1	462.7	1414.5
	Dec	2.9	825.0	103.9	0.0	0.1	931.9	5.2	256.6	112.4	0.0	94.2	468.4	1400.3
2000	Jan	3.1	856.0	110.1	0.0	0.1	969.3	5.9	254.9	127.4	0.0	98.6	486.9	1456.2
	Feb	2.8	806.6	100.6	0.0	0.1	910.2	6.6	261.4	142.7	0.0	90.7	501.4	1411.6
	Mar	2.9	821.5	101.1	0.0	0.1	925.6	7.1	275.0	153.2	0.0	53.1	488.5	1414.1
	Apr	2.8	806.2	99.5	0.0	0.1	908.6	6.9	268.1	147.5	0.0	51.1	473.6	1382.2
	May	2.8	807.6	99.6	0.0	0.1	910.1	7.0	269.6	150.6	0.0	52.2	479.3	1389.5
	Jun	2.8	807.0	99.6	0.0	0.1	909.5	7.3	269.6	157.5	0.0	54.6	489.3	1398.7
	Jul	2.8	809.4	99.4	0.0	0.1	911.7	7.7	274.5	164.6	0.0	123.8	570.5	1482.3
	Aug	2.8	804.5	98.5	0.0	0.1	905.9	7.8	275.0	168.1	0.0	117.5	568.5	1474.4
	Sep	3.1	857.8	108.0	0.0	0.1	968.9	8.5	277.2	182.3	0.0	121.7	589.8	1558.7
	Oct	3.2	892.9	111.7	0.0	0.1	1007.9	8.8	292.1	188.2	0.0	105.5	594.6	1602.6
	Nov	3.0	865.6	106.7	0.0	0.1	975.4	10.5	299.0	225.4	0.0	112.6	647.5	1622.9
	Dec	3.1	871.2	108.5	0.0	0.1	983.0	10.2	293.3	220.0	0.0	76.3	599.9	1582.8

Note: Other refers to: Non-Financial Public Enterprises  
Local Authority and Regional Councils

**Table II.10 SECTORAL DISTRIBUTION OF OBI DEPOSITS**

(in N\$ million)

Period	PRIVATE SECTOR		Total	Financial Sector	Central Government	Other	TOTAL
	Busin.	Indiv.					
1995	45.9	501.3	<b>547.2</b>	204.8	3.9	95.4	<b>851.3</b>
1996	6.3	524.0	<b>530.3</b>	159.2	0.0	60.2	<b>749.7</b>
1997	7.2	606.3	<b>613.5</b>	183.8	0.0	84.5	<b>881.8</b>
1998 I	7.0	607.3	<b>614.4</b>	181.3	0.0	80.3	<b>875.9</b>
II	6.2	597.6	<b>603.8</b>	162.4	0.0	81.5	<b>847.8</b>
III	6.6	641.6	<b>648.2</b>	173.3	0.0	79.9	<b>901.3</b>
IV	7.9	636.4	<b>644.3</b>	283.9	0.0	61.8	<b>990.1</b>
1999 Jan	7.6	633.8	<b>641.4</b>	195.3	0.0	74.2	<b>910.9</b>
Feb	7.7	649.0	<b>656.8</b>	199.5	0.0	77.4	<b>933.7</b>
Mar	7.8	659.7	<b>667.5</b>	201.1	0.0	77.7	<b>946.3</b>
Apr	8.3	691.3	<b>699.6</b>	212.8	0.0	92.1	<b>1004.5</b>
May	8.4	695.8	<b>704.2</b>	213.9	0.0	81.2	<b>999.3</b>
Jun	9.2	774.5	<b>783.6</b>	236.0	0.0	73.6	<b>1093.3</b>
Jul	8.7	812.1	<b>820.8</b>	226.7	0.0	88.3	<b>1135.8</b>
Aug	8.6	809.5	<b>818.1</b>	224.8	0.0	83.2	<b>1126.1</b>
Sep	8.5	816.5	<b>825.0</b>	222.0	0.0	80.0	<b>1127.0</b>
Oct	8.0	1093.0	<b>1101.0</b>	214.1	0.0	76.4	<b>1391.6</b>
Nov	8.0	1100.0	<b>1108.0</b>	214.3	0.0	92.2	<b>1414.5</b>
Dec	8.2	1081.6	<b>1089.7</b>	216.2	0.0	94.4	<b>1400.3</b>
2000 Jan	9.0	1110.9	<b>1119.9</b>	237.5	0.0	98.7	<b>1456.2</b>
Feb	9.5	1068.0	<b>1077.5</b>	243.3	0.0	90.8	<b>1411.6</b>
Mar	10.0	1096.5	<b>1106.5</b>	254.3	0.0	53.2	<b>1414.1</b>
Apr	9.7	1074.3	<b>1084.0</b>	246.9	0.0	51.2	<b>1382.2</b>
May	9.8	1077.2	<b>1087.0</b>	250.1	0.0	52.3	<b>1389.5</b>
Jun	10.2	1076.9	<b>1087.0</b>	257.0	0.0	54.7	<b>1398.7</b>
Jul	10.5	1083.9	<b>1094.4</b>	264.0	0.0	123.9	<b>1482.3</b>
Aug	10.6	1079.5	<b>1090.1</b>	266.7	0.0	117.7	<b>1474.4</b>
Sep	11.5	1135.0	<b>1146.6</b>	290.3	0.0	121.8	<b>1558.7</b>
Oct	11.9	1185.1	<b>1197.0</b>	299.9	0.0	105.7	<b>1602.6</b>
Nov	13.5	1164.5	<b>1178.1</b>	332.1	0.0	112.7	<b>1622.9</b>
Dec	13.3	1164.5	<b>1177.8</b>	328.5	0.0	76.4	<b>1582.7</b>

Note: Other refers to: Non-Financial Public Enterprises  
Local Authority and Regional Councils

**Table II.11 COMMERCIAL BANKS CLAIMS ON PRIVATE SECTOR**  
(end of period in N\$ million)

	1995	1996	1997	1998				1999												2000											
				I	II	III	IV	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1. Individuals	2775.7	3411.1	3854.1	3949.2	4002.7	4019.2	4080.0	4193.4	4261.6	4360.3	4368.1	4339.5	4359.9	4377.4	4398.9	4386.0	4502.0	4483.1	4709.0	4592.1	4697.8	4758.9	4877.4	4912.7	5033.4	5068.0	5190.2	5265.6	5335.7	5473.9	5565.1
a. Loans and Advances	1998.0	2495.5	2883.8	2959.5	3012.2	2995.9	3058.9	3058.6	3131.8	3182.9	3192.1	3156.9	3180.9	3194.7	3206.5	3222.2	3293.7	3262.3	3461.6	3379.0	3438.7	3477.7	3581.3	3604.5	3703.4	3708.8	3795.8	3858.0	3892.8	3994.4	4071.5
(i) Mortgage loans	1111.7	1493.8	1665.2	1683.0	1715.7	1763.9	1815.7	1921.1	1957.7	1975.8	1971.2	1984.2	2013.1	2038.5	2063.0	2062.2	2119.8	2130.4	2239.8	2190.3	2222.2	2265.2	2326.5	2353.1	2395.8	2434.7	2492.5	2546.8	2543.9	2605.8	2658.3
(ii) Other loans and advances	886.3	1001.7	1218.6	1276.4	1296.5	1232.0	1243.3	1137.5	1174.1	1207.1	1220.9	1172.6	1167.7	1156.2	1143.5	1160.0	1173.8	1131.9	1221.8	1188.7	1216.5	1212.5	1254.8	1251.4	1307.6	1274.2	1303.3	1311.2	1348.8	1388.6	1413.1
b. Instalment credit	742.5	889.8	934.2	950.9	944.5	974.5	971.5	1075.1	1071.9	1115.2	1113.9	1118.0	1115.9	1115.5	1126.5	1101.3	1145.8	1153.1	1179.7	1149.4	1196.1	1218.7	1229.9	1241.0	1265.1	1293.2	1328.6	1336.1	1366.5	1403.7	1418.2
c. Leasing transaction	19.7	21.0	30.1	32.8	37.1	42.0	43.5	51.3	51.5	53.8	54.5	54.1	53.1	52.1	53.8	53.4	53.5	55.0	55.2	51.8	51.1	51.4	55.2	53.6	53.9	55.1	55.3	60.2	64.1	64.3	63.4
d. Bills discounted or purchased	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0
e. Other claims	15.5	4.8	6.0	6.0	8.9	6.8	6.0	8.4	6.4	8.4	7.6	10.5	10.1	15.1	12.1	9.1	9.1	12.6	12.4	11.9	11.9	11.2	11.0	13.6	10.9	10.8	10.5	11.3	11.7	11.5	12.0
2. Business	1967.1	2252.0	2699.4	2740.2	2894.2	2922.6	3049.3	3116.5	2943.5	2848.3	2830.0	2850.7	2732.3	2736.4	2842.8	2802.5	2833.7	2902.1	2725.1	2957.7	2882.6	2955.8	2909.1	2911.7	3072.0	2871.4	2856.5	2874.8	2977.5	2984.5	3134.8
a. Loans and advances	1551.4	1757.8	2239.3	2293.7	2410.9	2459.7	2567.4	2833.2	2611.9	2584.5	2581.2	2565.8	2499.1	2485.8	2566.6	2495.3	2506.2	2562.7	2406.0	2641.8	2587.2	2514.0	2463.1	2476.4	2650.7	2486.1	2483.2	2455.1	2562.3	2561.8	2736.2
(i) Mortgage loans	34.6	65.7	92.3	106.2	130.2	198.5	224.9	211.1	206.7	207.9	236.2	232.0	236.3	235.2	240.2	251.6	241.4	271.6	213.5	276.4	279.6	288.2	262.4	265.6	274.1	277.0	278.3	278.5	331.2	331.0	331.8
(ii) Other loans and advances	1516.8	1692.1	2147.0	2187.5	2280.7	2261.2	2342.5	2622.1	2405.3	2376.6	2345.0	2333.7	2262.8	2250.6	2326.4	2243.7	2264.9	2291.1	2192.5	2365.4	2307.6	2225.8	2200.7	2210.8	2376.6	2209.1	2204.9	2176.6	2231.1	2230.9	2404.5
b. Instalment credit	295.2	337.7	355.2	351.1	377.4	338.2	353.5	198.1	252.6	202.2	197.1	193.0	170.4	166.7	168.9	199.3	159.0	154.8	143.9	187.6	149.0	153.3	150.5	151.3	144.2	147.0	135.8	148.7	155.5	163.5	136.9
c. Leasing transaction	30.5	53.2	50.0	47.6	47.8	50.7	41.4	32.0	32.1	29.7	28.9	29.9	28.8	29.5	27.8	28.9	28.0	26.5	26.0	24.3	20.6	19.8	21.1	20.5	19.8	19.6	20.5	20.1	19.1	19.9	19.7
d. Bills discounted or purchased	85.6	97.8	17.9	11.9	21.2	34.2	59.6	28.8	24.6	19.3	12.4	11.9	24.1	18.2	10.7	15.0	15.7	31.4	31.8	17.9	11.1	11.8	18.3	7.7	7.7	0.0	0.0	0.0	0.0	0.0	0.0
e. Other claims	4.4	5.5	37.0	35.8	37.0	39.9	27.3	24.3	22.4	12.7	10.4	50.1	9.9	36.1	68.8	64.0	124.8	126.7	117.4	86.1	114.7	256.9	256.2	255.8	249.5	218.7	217.0	250.9	240.6	239.3	241.9
3. (1+2) Total Claims on Private Sector																															
a. Loans and advances	3549.4	4253.3	5123.1	5253.2	5423.1	5455.5	5626.4	5891.8	5743.7	5767.4	5773.3	5722.6	5679.9	5680.5	5773.1	5717.5	5799.9	5825.0	5867.7	6020.8	6026.0	5991.7	6044.4	6080.9	6354.2	6194.9	6278.9	6313.1	6455.1	6556.2	6807.7
(i) Mortgage loans	1146.3	1559.5	1757.5	1789.2	1845.9	1962.4	2040.6	2132.2	2164.3	2183.8	2207.4	2216.3	2249.4	2273.7	2303.2	2313.8	2361.2	2402.0	2453.3	2466.7	2501.8	2553.4	2588.9	2618.6	2669.9	2711.7	2770.7	2825.3	2875.1	2936.8	2990.1
(ii) Other loans and advances	2403.1	2693.8	3365.6	3464.0	3577.2	3493.1	3585.8	3759.6	3579.4	3583.6	3565.9	3506.4	3430.5	3406.8	3469.9	3403.7	3438.7	3423.0	3414.1	3554.1	3524.2	3438.3	3455.5	3462.2	3684.3	3483.3	3508.2	3487.8	3580.1	3619.5	3817.6
b. Instalment credit	1037.7	1227.5	1289.4	1302.0	1321.8	1312.7	1325.0	1273.3	1324.5	1317.4	1311.0	1311.1	1286.3	1282.2	1295.4	1300.6	1304.8	1308.0	1323.6	1337.0	1345.1	1372.0	1380.5	1392.3	1409.3	1440.3	1464.4	1484.8	1522.0	1567.2	1555.2
c. Leasing Transaction	50.2	74.2	80.1	80.4	85.0	92.7	84.9	83.3	83.6	83.5	83.3	84.0	81.9	81.6	81.6	82.3	81.5	81.5	81.2	76.1	71.6	71.2	76.3	74.1	73.7	74.6	75.8	80.2	83.2	84.3	83.1
d. Bills discounted or purchased	85.6	97.8	17.9	11.9	21.2	34.2	59.6	28.8	24.6	19.3	12.4	11.9	21.1	18.2	10.7	15.0	15.7	31.4	31.8	17.9	11.1	11.8	18.3	7.7	7.7	0.0	0.0	0.0	0.7	0.0	0.0
e. Other claims	19.9	10.3	43.0	41.9	45.9	46.6	33.3	32.8	28.8	21.1	18.0	60.6	19.9	51.2	80.9	73.1	133.9	139.3	129.8	98.0	126.7	268.1	267.2	269.4	260.4	229.5	227.6	262.2	252.3	250.8	253.9
TOTAL	4742.8	5663.1	6553.5	6689.4	6897.0	6941.8	7129.3	7309.9	7205.2	7208.6	7198.1	7190.2	7092.2	7113.8	7241.7	7188.5	7335.7	7385.2	7434.1	7549.8	7580.5	7714.8	7786.5	7824.3	8105.4	7939.4	8046.7	8140.4	8313.2	8458.4	8699.8

**Table II.12 OTHER BANKING INSTITUTION CLAIMS ON PRIVATE SECTOR**  
(end of period in N\$ million)

	1995	1996	1997	1998				1999												2000											
				I	II	III	IV	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>1. Individuals</b>	1448.2	1291.0	1356.2	1419.3	1465.9	1533.4	1582.2	1587.3	1602.8	1630.5	1653.5	1658.9	1679.9	1693.8	1707.4	1721.2	1739.4	1750.6	1760.3	1776.1	1782.2	1817.0	1843.0	1862.2	1876.9	1892.4	1924.8	1953.0	1983.5	2019.5	2065.8
a. Loans and Advances	1447.8	1290.6	1365.4	1427.6	1474.3	1532.3	1581.2	1586.4	1601.8	1629.6	1652.4	1657.8	1678.9	1692.8	1706.4	1720.3	1738.2	1749.4	1759.0	1774.8	1780.7	1815.9	1841.9	1861.1	1875.8	1891.4	1923.8	1952.1	1982.3	2018.3	2064.6
(i) Mortgage loans	1156.6	995.7	1062.3	1082.4	1239.8	1297.7	1350.0	1351.5	1367.2	1257.0	1277.4	1292.5	1292.7	1307.5	1336.8	1716.9	1720.4	1731.5	1741.2	1756.7	1762.7	1797.7	1823.5	1842.6	1856.9	1887.0	1919.2	1947.6	1978.0	1999.2	2045.1
(ii) Other loans and advances	291.2	294.9	303.1	345.2	234.5	234.6	231.2	234.9	234.6	372.6	375.0	365.2	386.2	385.3	369.6	3.4	17.8	17.9	17.8	18.1	18.0	18.2	18.4	18.4	18.9	4.4	4.6	4.5	4.4	19.2	19.5
b. Instalment credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
c. Leasing transaction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
d. Bills discounted or purchased	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
e. Other claims	0.4	0.4	-9.2	-8.3	-8.4	1.1	1.0	1.0	0.9	0.9	1.1	1.1	1.1	1.0	1.0	0.9	1.2	1.2	1.3	1.3	1.5	1.1	1.1	1.2	1.1	1.1	1.0	1.0	1.1	1.2	1.2
<b>2. Business</b>	71.6	61.9	46.3	43.2	43.4	41.8	41.4	40.6	40.5	40.5	39.4	38.8	38.8	38.8	38.5	38.4	38.4	39.2	39.2	39.2	25.7	25.7	25.8	25.8	25.8	25.9	25.9	26.0	25.9	26.0	26.1
a. Loans and advances	41.8	45.7	38.3	37.1	37.5	36.2	35.7	35.4	35.4	35.4	34.2	33.7	33.7	33.7	33.3	33.2	33.2	33.2	33.2	33.2	19.6	19.6	19.6	19.6	19.6	19.6	19.6	19.6	19.5	19.5	19.5
(i) Mortgage loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	33.2	33.2	33.2	33.2	33.2	19.6	19.6	19.6	19.6	19.6	19.6	19.6	19.6	19.5	19.5	19.5
(ii) Other loans and advances	41.8	45.7	38.3	37.1	37.5	36.2	35.7	35.4	35.4	35.4	34.2	33.7	33.7	33.7	33.3	0.0	0.0	0.0	0.0	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. Instalment credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
c. Leasing transaction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
d. Bills discounted or purchased	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
e. Other claims	29.8	16.2	8.0	6.0	5.9	5.7	5.7	5.2	5.1	5.1	5.2	5.1	5.2	5.1	5.1	5.2	5.2	6.0	6.0	6.1	6.1	6.2	6.2	6.2	6.3	6.3	6.4	6.4	6.4	6.5	6.6
<b>3. (1+2) Total Claims on Private Sector</b>																															
a. Loans and advances	1489.6	1336.3	1403.7	1464.8	1511.8	1568.5	1616.8	1621.8	1637.2	1665.0	1686.6	1691.4	1712.5	1726.4	1739.7	1753.5	1771.4	1782.5	1792.2	1808.0	1800.3	1835.5	1861.5	1880.6	1895.4	1910.9	1943.4	1971.6	2001.8	2037.8	2084.1
(i) Mortgage loans	1156.6	995.7	1062.3	1082.4	1239.8	1297.7	1350.0	1351.5	1367.2	1257.0	1277.4	1292.5	1292.7	1307.5	1336.8	1750.1	1753.6	1764.7	1774.4	1789.9	1782.3	1817.3	1843.0	1862.2	1876.5	1906.5	1938.8	1967.2	1997.4	2018.6	2064.6
(ii) Other loans and advances	333.0	340.6	341.4	382.3	272.0	270.8	266.9	270.3	270.0	408.0	409.2	398.9	419.8	419.0	402.9	3.4	17.8	17.9	17.8	18.1	18.0	18.2	18.4	18.4	18.9	4.4	4.6	4.5	4.4	19.2	19.5
b. Instalment credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
c. Leasing Transaction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
d. Bills discounted or purchased	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
e. Other claims	30.2	16.6	-1.2	-2.2	-2.4	6.8	6.8	6.2	6.0	6.0	6.3	6.2	6.2	6.2	6.2	6.1	6.4	7.2	7.3	7.3	7.6	7.3	7.3	7.4	7.4	7.4	7.3	7.4	7.6	7.6	7.8
<b>TOTAL</b>	1519.8	1352.9	1402.5	1462.5	1509.3	1575.2	1623.6	1628.0	1643.3	1671.0	1692.9	1697.6	1718.7	1732.6	1745.9	1759.6	1777.8	1789.7	1799.5	1815.3	1807.9	1842.7	1868.8	1888.1	1902.8	1918.3	1950.7	1979.0	2009.4	2045.4	2091.8

**Table III.1 INTEREST RATES**

Period	Prime Rate	Bank Rate	Treasury Bills	3 - Months BA Rate (1)	Government Bonds (2)	Money Market Rates (3)	Deposit Rates	Lending Rates
1995	19.00	17.50	14.10	15.11	14.56	14.84	11.99	19.03
1996	20.70	17.75	16.52	17.67	16.19	16.08	12.91	19.92
1997	20.00	16.00	15.31	17.17	14.14	14.72	12.00	19.60
1998 I	19.60	16.00	14.63	15.91	13.11	13.74	11.94	19.54
II	19.70	18.00	16.24	16.63	14.60	17.21	11.88	19.56
III	24.20	21.25	21.68	20.25	18.30	20.51	14.28	21.50
IV	23.55	18.75	18.32	19.17	16.36	18.12	13.76	22.31
1999 Jan	23.35	18.25	17.08	18.98	15.89	17.29	13.72	21.57
Feb	22.50	17.00	15.93	18.82	14.88	16.55	13.13	21.11
Mar	21.35	16.00	14.80	17.89	14.54	15.35	12.60	19.61
Apr	20.75	15.25	13.69	16.64	14.58	14.32	11.95	20.58
May	20.35	15.00	13.11	16.33	15.14	13.74	11.60	18.77
Jun	20.15	14.50	13.35	15.98	14.93	13.58	11.26	18.65
Jul	19.05	13.25	12.50	15.10	14.97	12.50	10.32	17.56
Aug	17.70	13.00	12.04	14.13	15.28	11.68	9.65	16.42
Sep	17.70	12.00	12.05	14.01	15.35	11.49	9.38	16.92
Oct	16.90	11.75	11.58	13.39	15.00	10.52	8.98	16.72
Nov	16.70	11.50	11.58	13.29	14.30	10.45	8.70	16.40
Dec	16.70	11.50	11.53	13.25	13.96	10.43	8.57	17.51
2000 Jan	16.50	11.50	11.12	12.88	13.49	9.60	8.35	15.74
Feb	15.90	11.25	10.62	12.25	13.50	9.32	8.02	15.16
Mar	15.90	11.25	10.52	12.19	13.92	9.26	7.79	15.17
Apr	15.90	11.25	10.30	12.14	13.92	9.21	7.40	15.28
May	15.90	11.25	10.29	12.13	14.79	9.09	7.29	15.49
Jun	15.90	11.25	10.48	12.13	14.33	7.88	7.07	15.55
Jul	15.90	11.25	10.30	12.13	13.90	9.27	7.04	15.39
Aug	15.90	11.25	10.09	12.13	13.52	9.27	6.96	14.74
Sep	15.90	11.25	10.01	12.00	13.72	9.39	7.09	15.09
Oct	15.90	11.25	9.95	11.96	13.72	9.39	7.03	15.31
Nov	15.90	11.25	9.71	11.96	12.96	9.27	6.99	15.22
Dec	15.90	11.25	9.62	11.85	12.84	9.24	7.63	15.11

(1) from January 1996: Namibian average

(2) South African Reserve Bank for South African government bonds

(3) until December 1995: South African Reserve Bank for South African interbank rates  
from January 1996: Namibian average

**Table IV.1 ALLOTMENT OF GOVERNMENT OF NAMIBIA TREASURY BILLS**

N\$ Millions

Date Issued	Date Due	Deposit Money Banks	Other Banking Institutions	Banking Sector	Non-banking Financial Instit.	Other Public Enterprises	Private Sector	TOTAL	Amount Outstanding
1995		841.5	23.2	864.7	135.9	20.0	181.9	1 202.5	420.0
1996		1 668.3	152.0	1 820.3	97.3	75.0	782.2	2 774.8	992.1
1997		2 785.9	483.6	3 269.5	319.9	111.0	1 329.0	5 029.3	1 678.2
1998		3 370.5	411.0	3 781.5	244.8	181.0	1 966.7	6 174.0	1 888.3
1999									
Jan	04/99	53.0	20.0	73.0	3.5	10.0	173.5	260.0	1 527.0
Jan*	07/99	90.0	0.0	90.0	10.0	0.0	0.0	100.0	1 627.0
Jan	04/99	116.4	0.0	116.4	0.1	0.0	143.5	260.0	1 887.0
Feb	05/99	109.2	1.0	110.2	0.7	10.0	28.6	149.5	1 555.1
Feb*	08/99	84.3	0.0	84.3	10.0	0.0	5.8	100.0	1 655.1
Feb	05/99	44.0	0.0	44.0	0.0	0.0	186.0	230.0	1 885.1
Mar	06/99	110.3	0.0	110.3	0.0	10.0	49.7	170.0	1 569.5
Mar*	09/99	61.0	0.0	61.0	0.0	0.0	39.0	100.0	1 669.5
Mar	06/99	136.7	0.0	136.7	0.0	0.0	33.3	170.0	1 839.5
Apr	07/99	67.5	0.0	67.5	0.0	0.0	162.5	230.0	1 449.5
Apr*	10/99	69.0	27.8	96.8	0.0	10.0	13.2	120.0	1 569.5
Apr	07/99	113.1	0.0	113.1	8.0	0.0	108.9	230.0	1 799.5
May	08/99	125.5	0.8	126.3	0.0	0.0	53.7	180.0	1 500.0
May*	11/99	84.8	30.0	114.8	0.0	0.0	5.2	120.0	1 620.0
May	08/99	55.0	0.0	55.0	0.0	70.7	104.3	230.0	1 850.0
Jun	09/99	154.0	5.0	159.0	0.0	0.0	42.8	201.8	1 611.8
Jun*	12/99	80.0	10.0	90.0	0.0	0.0	7.2	97.2	1 709.0
Jun	09/99	124.0	0.0	124.0	0.0	11.8	64.2	200.0	1 909.0
Jul	10/99	47.6	3.0	50.6	0.0	0.0	179.4	230.0	1 579.0
Jul*	01/00	120.0	18.9	138.9	0.0	0.0	1.1	140.0	1 719.0
Jul	10/99	133.0	0.0	133.0	0.0	19.0	98.0	250.0	1 969.0
Aug	11/99	134.2	0.0	134.2	0.0	0.0	72.9	207.0	1 666.1
Aug*	02/00	55.0	0.0	55.0	0.0	0.0	15.7	70.7	1 736.8
Aug	11/99	64.5	0.0	64.5	0.0	25.0	160.5	250.0	1 986.8
Sep	12/99	132.0	8.0	140.0	0.0	0.0	39.3	179.3	1 664.3
Sep*	03/00	95.5	10.0	105.5	0.0	20.0	14.6	140.0	1 804.3
Sep	12/99	134.8	0.0	134.8	0.0	30.0	43.9	208.7	2 013.0
Oct	01/00	116.0	0.0	116.0	0.0	0.0	154.0	270.0	1 683.0
Oct*	05/00	130.5	21.8	152.3	0.0	0.0	7.7	160.0	1 843.0
Oct	01/00	174.5	0.0	174.5	0.0	0.0	115.5	290.0	2 133.0
Nov	02/00	129.5	17.0	146.5	0.0	25.0	129.1	300.6	1 856.5
Nov*	05/00	130.5	21.8	152.3	0.0	0.0	7.7	160.0	2 016.5
Nov	02/00	113.5	0.0	113.5	0.0	0.0	176.5	290.0	2 306.5
Dec	03/00	115.6	0.0	115.6	6.2	0.0	28.2	150.0	1 971.3
Dec*	06/00	105.0	0.0	105.0	15.0	20.0	0.0	140.0	2 111.3
Dec**	12/00	119.6	0.0	119.6	30.5	0.0	0.0	150.0	2 261.3
Dec	03/00	101.8	0.0	101.8	88.2	0.0	45.3	235.3	2 496.6
<b>Sub Total</b>		<b>3 830.8</b>	<b>195.0</b>	<b>4 025.8</b>	<b>172.1</b>	<b>261.5</b>	<b>2 510.8</b>	<b>6 970.2</b>	
2000									
Jan	04/00	71.8	0.0	71.8	37.9	0.0	95.1	204.8	2 001.3
Jan	04/00	99.0	0.0	99.0	13.8	0.0	87.2	200.0	2 201.3
Jan*	07/00	139.7	0.0	139.7	7.9	0.0	2.4	150.0	2 351.3
Jan**	01/01	89.0	3.7	92.7	7.3	0.0	0.0	100.0	2 451.3
Feb	05/00	144.8	0.0	144.8	24.0	45.0	46.2	260.0	2 050.1
Feb*	08/00	105.0	0.0	105.0	27.9	0.0	5.1	138.0	2 188.0
Feb	05/00	119.0	0.0	119.0	21.5	19.9	139.6	300.0	2 488.0
Mar	06/00	129.7	0.0	129.7	16.5	55.0	38.9	240.0	2 202.7
Mar*	09/00	112.1	0.0	112.1	25.3	0.0	2.7	140.0	2 342.7
Mar	06/00	110.8	0.0	110.8	0.0	0.0	29.2	140.0	2 482.7
Apr	07/00	70.0	4.0	74.0	36.2	0.0	99.8	210.0	2 288.0
Apr*	10/00	120.6	25.0	145.6	0.9	0.0	3.5	150.0	2 438.0
Apr	07/00	94.1	0.0	94.1	24.0	0.0	62.0	180.0	2 618.0
May	08/00	185.6	0.0	185.6	43.5	20.0	30.9	280.0	2 018.0
May*	11/00	145.0	0.0	145.0	0.8	0.0	2.0	147.8	2 165.7
May	08/00	150.0	3.0	153.0	89.6	20.0	115.5	378.1	2 543.8
Jun	09/00	146.5	0.0	146.5	74.0	0.0	29.5	250.0	2 273.8
Jun*	12/00	75.0	0.0	75.0	15.8	0.0	4.0	94.8	2 368.6
Jun	09/00	99.0	0.0	99.0	19.8	30.0	29.8	178.7	2 547.2
Jun**	06/01	80.0	0.0	80.0	19.9	0.0	0.1	100.0	2 647.2
Jul	10/00	20.0	6.1	26.1	30.2	0.0	103.7	160.0	2 267.2
Jul*	01/01	90.0	0.0	90.0	0.0	0.0	10.0	100.0	2 367.2
Jul	10/00	91.4	0.0	91.4	0.0	0.0	48.6	140.0	2 507.2
Aug	11/00	147.2	0.0	147.2	57.8	0.0	45.0	250.0	1 961.2
Aug*	02/01	69.1	11.0	80.1	35.5	0.0	4.5	120.0	2 081.2
Aug	11/00	129.8	0.0	129.8	40.7	0.0	119.5	290.0	2 371.2
Sep	12/00	128.5	0.0	128.5	49.9	70.0	1.6	250.0	2 052.5
Sep*	03/01	142.5	0.0	142.5	14.8	0.0	2.6	160.0	2 212.5
Sep	12/00	86.3	0.0	86.3	20.2	0.0	43.5	150.0	2 362.5
Sep**	09/01	44.5	0.0	44.5	0.0	55.5	0.0	100.0	2 462.5
Oct	01/01	24.5	0.0	32.0	41.2	0.0	106.7	180.0	2 192.5
Oct	01/01	79.3	0.0	79.3	0.0	10.0	50.7	140.0	2 332.5
Oct*	04/01	150.0	0.0	150.0	21.6	0.0	1.4	180.0	2 512.5
Nov	02/01	69.3	0.0	69.3	68.4	0.0	112.3	250.0	2 074.8
Nov	02/01	147.3	0.0	147.3	32.8	15.0	115.0	310.0	2 384.8
Nov*	05/01	134.0	0.0	134.0	13.8	0.0	2.2	150.0	2 534.8
Dec	03/01	92.8	0.0	92.8	24.4	0.0	42.8	160.0	2 050.0
Dec*	01/06	120.0	0.0	120.0	10.0	0.0	0.0	130.0	2 180.0
Dec	03/01	155.0	0.0	155.0	103.9	0.0	1.2	260.0	2 440.0
Dec**	12/01	171.6	0.0	171.6	27.6	0.0	0.8	200.0	2 640.0
<b>Sub Total</b>		<b>4 379.5</b>	<b>67.3</b>	<b>4 446.8</b>	<b>1 099.2</b>	<b>340.4</b>	<b>1 635.5</b>	<b>7 522.0</b>	

\* means 182 day treasury bills

\*\* means 365 day treasury bills

**Table IV.2 HOLDINGS OF GOVERNMENT OF NAMIBIA INTERNAL REGISTERED STOCK**

N\$ Millions

Date Issued	Date Due	Coupon Rate (%)	Deposit Money Banks	Other Banking Institutions	Banking Sector	Non-banking Financial Instit.	Other Public Enterprises	Private Sector	TOTAL	Amount Outstanding
<b>1995</b>										
Jun	06/98	12.00	0.0	0.0	0.0	7.0	0.0	100.0	<b>107.0</b>	670.0
Sep	09/01	12.00	0.0	0.0	0.0	172.0	0.0	0.0	<b>172.0</b>	842.0
Dec	12/00	12.00	5.0	0.0	5.0	35.7	0.3	109.0	<b>150.0</b>	942.0
<b>Sub-total</b>			<b>5.0</b>	<b>0.0</b>	<b>5.0</b>	<b>214.7</b>	<b>0.3</b>	<b>209.0</b>	<b>429.0</b>	
<b>1996</b>										
May	05/99	12.00	120.0	1.0	121.0	27.0	10.0	0.3	<b>158.3</b>	1 100.4
Aug	08/02	12.00	145.0	0.0	145.0	5.0	0.0	0.0	<b>150.0</b>	1 020.1
Nov	11/99	12.00	40.0	0.0	40.0	24.1	0.0	31.5	<b>95.6</b>	1 044.6
<b>Sub-total</b>			<b>305.0</b>	<b>1.0</b>	<b>306.0</b>	<b>56.1</b>	<b>10.0</b>	<b>31.8</b>	<b>403.9</b>	
<b>1997</b>										
Feb	02/02	12.00	0.0	0.0	0.0	20.5	0.0	55.8	<b>76.3</b>	1 051.9
May	05/99	12.00	77.0	0.0	77.0	25.0	0.0	32.0	<b>134.0</b>	1 185.9
Jun	06/00	12.00	56.6	0.0	56.6	0.0	0.0	0.6	<b>57.2</b>	1 217.1
Aug	08/00	12.00	34.5	0.0	34.5	1.0	0.0	9.4	<b>44.9</b>	1 262.0
<b>Sub-total</b>			<b>168.1</b>	<b>0.0</b>	<b>168.1</b>	<b>46.5</b>	<b>0.0</b>	<b>97.7</b>	<b>312.3</b>	
<b>1998*</b>										
Aug	01/10	12.00	41.3	0.0	41.3	35.2	0.0	0.8	<b>77.3</b>	1 766.5
Oct	04/05	12.00	59.6	0.0	59.6	0.0	0.0	0.1	<b>59.6</b>	1 803.4
Nov	04/02	12.00	14.6	0.0	14.6	5.0	0.0	0.3	<b>19.8</b>	1 823.2
Nov	01/10	12.00	0.0	0.0	0.0	55.0	0.0	0.1	<b>55.1</b>	1 878.3
<b>Sub-total</b>			<b>115.4</b>	<b>0.0</b>	<b>115.4</b>	<b>95.2</b>	<b>0.0</b>	<b>1.3</b>	<b>211.9</b>	
<b>1999</b>										
Jan	04/02	12.00	25.0	10.0	35.0	0.0	0.0	0.9	<b>35.9</b>	1 914.2
May	04/02	12.00	15.0	5.0	20.0	0.0	0.0	0.1	<b>20.1</b>	1 904.2
Jun	04/02	12.00	1.5	0.0	1.5	0.0	0.0	1.8	<b>3.3</b>	1 907.5
Aug	04/02	12.00	9.0	0.0	9.0	0.0	0.0	0.4	<b>9.4</b>	1 916.9
Sept	04/02	12.00	0.0	15.0	15.0	0.0	0.0	0.8	<b>15.8</b>	1 932.7
Nov	04/02	12.00	5.0	3.2	8.2	21.8	0.0	0.0	<b>30.0</b>	1 867.1
Dec	04/02	12.00	5.0	0.0	5.0	5.0	0.0	1.0	<b>11.0</b>	1 878.1
<b>Sub-total</b>			<b>60.5</b>	<b>33.2</b>	<b>93.7</b>	<b>26.8</b>	<b>0.0</b>	<b>4.9</b>	<b>125.4</b>	
<b>2000</b>										
Feb	04/02	12.00	0.3	0.0	0.3	29.7	0.0	0.0	<b>30.0</b>	1 908.1
Mar	04/02	12.00	10.0	0.0	10.0	0.0	0.0	1.0	<b>11.0</b>	1 919.1
May	04/05	12.00	0.0	0.0	0.0	40.0	0.0	0.0	<b>40.0</b>	1 959.1
Jul	04/02	12.00	120.0	0.0	120.0	0.0	0.0	0.0	<b>120.0</b>	2 022.0
Aug	04/02	12.00	15.0	0.0	15.0	0.0	0.0	0.0	<b>15.0</b>	1 992.1
Aug	04/05	12.00	15.0	0.0	15.0	0.0	0.0	0.0	<b>15.0</b>	2 007.1
Nov	04/02	12.00	15.0	0.0	15.0	0.0	0.0	0.0	<b>15.0</b>	2 022.1
Nov	04/05	12.00	15.0	0.0	15.0	0.0	0.0	0.0	<b>15.0</b>	2 037.1
Nov	01/10	12.00	15.0	0.0	15.0	0.0	0.0	0.0	<b>15.0</b>	2 052.1

\* In May 1998, consolidation of Government Internal Registered Stock was completed, including a total net additional issue of N\$ 477.2 million



**Table IV.3 GOVERNMENT REVENUE AND EXPENDITURE**

N\$ Million

	1998/99				1999/00				2000/01			
	Budget	%	Revised	%	Budget	%	Revised	%	Budget	%	Revised	%
<b>Total Revenue &amp; Grants</b>	<b>6107.8</b>	<b>-</b>	<b>6179.6</b>	<b>-</b>	<b>6877.4</b>	<b>-</b>	<b>7053.3</b>	<b>-</b>	<b>7686.2</b>	<b>-</b>	<b>7912.3</b>	<b>-</b>
Tax Revenue	5382.6	88.1	5486.1	88.8	6252.6	90.9	6390.8	89.7	6935.4	90.2	7115.4	89.9
<b>Direct Taxes</b>	<b>1785.7</b>	<b>29.2</b>	<b>1921.0</b>	<b>31.1</b>	<b>1988.0</b>	<b>28.9</b>	<b>2059.0</b>	<b>-</b>	<b>2374.0</b>	<b>30.9</b>	<b>2509.0</b>	<b>31.7</b>
Personal Taxes	998.7	55.9	1050.0	54.7	1164.0	58.6	1280.0	61.0	1405.0	59.2	1405.0	56.0
Company Taxes	708.0	70.9	801.0	76.3	760.0	65.3	700.0	54.7	875.0	62.3	1015.0	72.2
Other Taxes on Income & Profit	79.0	11.2	70.0	8.7	64.0	8.4	79.0	11.3	94.0	10.7	89.0	8.8
<b>Indirect Taxes</b>	<b>3596.9</b>	<b>58.9</b>	<b>3565.1</b>	<b>57.7</b>	<b>4264.6</b>	<b>62.0</b>	<b>4331.8</b>	<b>-</b>	<b>4561.4</b>	<b>59.3</b>	<b>4606.4</b>	<b>58.2</b>
Domestic Tax on Goods & Services	1712.5	47.6	1675.9	47.0	1944.9	45.6	2010.1	46.4	1586.1	34.8	1641.1	35.6
Tax on Property	39.0	2.3	39.0	2.3	37.0	1.9	39.0	0.9	50.0	3.2	40.0	2.4
Tax on Int. Trade & Transactions	1805.2	29.6	1805.2	29.2	2240.7	32.6	2240.7	51.7	2877.3	37.4	2877.3	36.4
Others	40.2	0.7	45.0	0.7	42.0	0.6	42.0	1.0	48.0	0.6	48.0	0.6
<b>Non-Tax Revenue</b>	<b>651.0</b>	<b>10.7</b>	<b>589.8</b>	<b>9.5</b>	<b>589.3</b>	<b>8.6</b>	<b>573.1</b>	<b>-</b>	<b>652.5</b>	<b>8.5</b>	<b>650.1</b>	<b>8.2</b>
Entrepreneurial & Property Income	384.0	59.0	341.4	57.9	331.0	56.2	329.9	57.6	405.4	62.1	405.4	62.4
Fines & Forfeitures	10.0	2.6	10.0	2.9	10.0	3.0	10.0	1.7	10.5	2.6	10.5	2.6
Administrative Fees & Charges	257.0	4.2	238.4	3.9	248.3	3.6	233.2	40.7	236.6	3.1	234.0	3.0
Return on Capital	28.6	0.5	39.2	0.6	28.3	0.4	25.0	4.4	18.3	0.2	18.3	0.2
<b>Grants</b>	<b>45.6</b>	<b>0.7</b>	<b>64.6</b>	<b>1.0</b>	<b>7.2</b>	<b>0.1</b>	<b>64.4</b>	<b>0.9</b>	<b>80.0</b>	<b>1.0</b>	<b>53.7</b>	<b>0.7</b>
<b>Total Expenditure &amp; Net Lending</b>	<b>6783.8</b>	<b>-</b>	<b>6925.0</b>	<b>-</b>	<b>7751.0</b>	<b>-</b>	<b>1320.1</b>	<b>-</b>	<b>8560.5</b>	<b>-</b>	<b>8855.2</b>	<b>-</b>
Current Expenditure	5901.2	87.0	6219.8	91.7	6672.6	98.4	6299.0	78.6	7150.3	105.4	7632.7	112.5
Personnel Expenditure	3109.7	45.8	3276.1	48.3	3610.9	53.2	3677.6	45.9	3719.1	54.8	3958.5	58.4
Goods and Other Services	1329.2	19.6	1379.5	20.3	1389.6	20.5	1465.2	18.3	1541.8	22.7	1618.7	23.9
Subsidies and Transfers	1020.6	15.0	1080.4	15.9	1177.0	17.4	1156.2	14.4	1394.9	20.6	1525.5	22.5
Domestic Interest Payments	431.4	6.4	472.7	7.0	479.5	7.1	449.0	0.2	479.5	7.1	530.0	7.8
Foreign Interest Payments	7.0	0.1	7.7	0.1	12.5	0.2	0.0	0.0	12.5	0.2	0.0	0.0
Others	3.3	0.0	3.4	0.0	3.1	0.0	0.0	0.0	2.6	0.0	0.0	0.0
<b>Capital Expenditure</b>	<b>814.3</b>	<b>12.0</b>	<b>834.8</b>	<b>12.1</b>	<b>969.1</b>	<b>12.5</b>	<b>1195.4</b>	<b>14.9</b>	<b>1258.2</b>	<b>14.7</b>	<b>1222.5</b>	<b>13.8</b>
Lending & Equity Participation	68.3	1.0	73.1	1.1	109.3	1.4	124.7	1.6	152.0	1.8	0.0	0.0
Suspension & Savings	-	-	202.8	-	-	-	-	-	-	-	-	-
<b>Overall Deficit</b>	<b>-676.0</b>	<b>-</b>	<b>-745.4</b>	<b>-</b>	<b>-873.6</b>	<b>-</b>	<b>-881.0</b>	<b>-</b>	<b>-874.3</b>	<b>-</b>	<b>-942.9</b>	<b>-</b>
<b>Revenue</b>												
Direct Taxes	10.1		11.0		10.4		10.8		11.2		11.9	
Taxes on Property	0.2		0.2		0.2		0.2		0.2		0.2	
Domestic Taxes on Goods & Services	9.7		9.6		10.2		10.6		7.5		7.8	
Taxes on International Trade	10.3		10.4		11.8		11.8		13.6		13.6	
Total Tax Revenue	30.6		31.5		32.8		33.6		32.8		33.7	
Non-Tax Revenue	3.7		3.4		3.1		3.0		3.1		3.1	
Total Revenue & Grants	34.7		35.5		36.1		37.1		36.4		37.5	
<b>Expenditure</b>												
Current Expenditure	33.5		35.7		35.1		33.1		33.9		36.1	
Personnel Expenditure	17.7		18.8		19.0		19.3		17.6		18.7	
Goods & Other Services	7.6		7.9		7.3		7.7		7.3		7.7	
Subsidies & Transfer	5.8		6.2		6.2		6.1		6.6		7.2	
Domestic Interest Payment	2.5		2.7		2.5		2.4		2.3		2.5	
Foreign Interest Payment	0.0		0.0		0.1		0.0		0.1		0.0	
Other	0.0		0.0		0.0		0.0		0.0		0.0	
Capital Expenditure	4.6		4.8		5.1		6.3		6.0		5.8	
<b>Total Expenditure</b>	<b>38.5</b>		<b>39.8</b>		<b>40.7</b>		<b>6.9</b>		<b>40.5</b>		<b>41.9</b>	
Overall Deficit (-) / Surplus (+)	-3.8		-4.3		-4.6		-4.6		-4.1		-4.5	
GDP at Market Prices (N\$ Million)	17600.0		17400.0		19037.0		19037.0		21116.0		21124.0	

**Table V.1 CURRENT ACCOUNT (a)**

N\$ million

	1994	1995	1996	1997	1998	1999	2000(p)
<b>1. Merchandise Trade Balance (2-3)</b>	<b>-304.7</b>	<b>-470.5</b>	<b>-390.3</b>	<b>-1285.2</b>	<b>-1579.8</b>	<b>-794.7</b>	<b>-967.1</b>
<b>2. Exports Fob</b>	<b>4688.7</b>	<b>5144.8</b>	<b>6245.4</b>	<b>6281.2</b>	<b>6655.7</b>	<b>8389.8</b>	<b>10099.6</b>
Diamonds	1489.2	1766.6	2318.3	2494.8	2161.4	3577.6	4841.4
Other Mineral Products	838.6	858.1	1069.3	1163.6	1092.5	1165.6	1320.6
Food and Live Animals	928.9	959.8	1116.2	743.4	1059.3	1221.2	1264.4
Manufactured Products	1357.3	1450.2	1621.3	1775.8	2232.5	2322.7	2467.9
Other Commodities	74.7	110.1	120.3	103.6	110.0	102.7	205.3
<b>3. Imports Fob - Excluding Duty (b)</b>	<b>-4993.4</b>	<b>-5615.3</b>	<b>-6635.7</b>	<b>-7566.4</b>	<b>-8235.5</b>	<b>-9184.5</b>	<b>-11066.7</b>
<b>4. Services (net)</b>	<b>-743.3</b>	<b>-868.4</b>	<b>-1063.0</b>	<b>-721.8</b>	<b>-872.3</b>	<b>-826.6</b>	<b>-778.4</b>
Transportation (net)	-684.7	-712.9	-860.7	-830.1	-778.7	-782.0	-942.2
Travel (net)	528.5	683.0	878.0	1073.7	1094.3	1208.7	1066.1
Insurance (net)	-109.6	-184.6	-244.3	-330.4	-242.8	-156.2	-115.2
Other Private Services* (net)	-482.2	-656.4	-837.1	-641.3	-691.1	-1080.6	-765.3
Other Government Services (net)	4.8	2.5	1.1	6.3	16.0	-16.5	-21.8
<b>5. Compensation of Employees (net)</b>	<b>0.9</b>	<b>0.5</b>	<b>-3.8</b>	<b>-31.8</b>	<b>-13.0</b>	<b>-8.3</b>	<b>-9.4</b>
<b>6. Investment income (net)</b>	<b>191.1</b>	<b>580.7</b>	<b>327.3</b>	<b>351.1</b>	<b>506.0</b>	<b>-103.6</b>	<b>69.6</b>
Income Received	736.8	1540.3	1328.6	994.0	981.6	1094.3	1184.0
Direct Investment	-12.4	14.1	-5.5	3.3	-2.8	-4.0	-4.4
Portfolio Investment	33.0	46.0	37.7	17.9	27.8	29.8	22.0
Other Investment	716.2	1480.2	1296.4	972.8	956.6	1068.5	1166.4
Income Paid	-545.7	-959.6	-1001.3	-642.9	-475.6	-1197.9	-1253.6
Direct Investment	-404.2	-806.3	-828.0	-498.8	-323.2	-1042.3	-1037.6
Portfolio Investment	-91.4	-74.1	-98.8	-75.8	-72.6	-72.1	-78.1
Other Investment	-50.1	-79.2	-74.5	-68.3	-79.8	-83.5	-137.8
<b>7. Total Goods, Services and Income Balance (2-6)</b>	<b>-855.9</b>	<b>-757.7</b>	<b>-1129.8</b>	<b>-1687.7</b>	<b>-1959.1</b>	<b>-1733.2</b>	<b>-1824.5</b>
<b>8. Transfer in Cash and Kind (net)</b>	<b>1161.2</b>	<b>1482.0</b>	<b>1848.6</b>	<b>2081.4</b>	<b>2405.7</b>	<b>2494.5</b>	<b>3163.8</b>
Government							
Grants from Foreign Govts, Intl & NGO s	203.0	266.0	365.5	343.1	444.6	401.0	340.9
SACU Receipts	868.2	1092.4	1300.5	1560.4	1805.2	2240.7	2877.3
Withholding Taxes	27.9	31.1	57.9	59.9	48.8	35.0	36.6
Other Transfers Received	44.1	47.2	54.5	55.9	67.0	70.9	75.0
Transfer Debits (mainly SACU)	-51.7	-58.8	-62.4	-54.7	-57.8	-334.4	-236.6
Private							
Grants Received by NGO s	64.0	95.0	123.3	106.0	86.9	71.3	60.6
Other Transfers (net)	5.7	9.1	9.4	10.8	11.0	10.0	10.0
<b>9. Current Account Balance (7+8)</b>	<b>305.3</b>	<b>724.3</b>	<b>718.9</b>	<b>393.7</b>	<b>446.6</b>	<b>761.3</b>	<b>1339.2</b>

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

(b) Represents imports after adjustments made to place imports by SACU countries on a similar basis to imports by non-SACU countries. Estimated imports before adjustment were: 1994 = N\$ 5 450 million; 1995 = N\$ 5 980 million; 1996 = N\$ 7 012 million; 1997 = N\$ 8 022 million; 1998 = N\$ 8 418 million and 1999 = N\$ 9 218 million.

\*Business, administrative, financial and communications services.

(p) Provisional

**Table V.2 CAPITAL AND FINANCIAL ACCOUNT (a)**

N\$ million

	1994	1995	1996	1997	1998	1999	2000
<b>Net Capital Transfers</b>	<b>153.6</b>	<b>145.5</b>	<b>180.8</b>	<b>154.2</b>	<b>251.7</b>	<b>140.0</b>	<b>51.6</b>
Direct Investment Abroad	21.7	12.8	93.2	-3.0	7.1	11.4	9.6
Equity Capital	2.5	1.0	0.0	0.0	0.0	12.9	0.0
Reinvested Earnings	17.2	5.5	12.7	1.1	2.8	-1.0	-1.8
Other Capital	2.0	6.3	80.5	-4.1	4.3	-0.5	11.4
Direct Investment in Namibia	347.9	554.9	553.3	386.0	427.3	679.4	785.4
Equity Capital	96.2	112.9	317.6	357.7	402.0	170.4	133.4
Reinvested Earnings	181.6	358.6	340.4	63.0	-108.0	622.3	600.0
Other Capital	70.1	83.5	-104.7	-34.7	133.3	-113.3	51.7
Portfolio Investment	168.0	279.7	134.1	85.7	-55.7	-30.2	-298.0
Equity							
Assets	-17.5	-13.7	-33.8	-44.4	-96.6	-113.7	-407.0
Liabilities	133.3	165.9	220.1	132.8	175.0	253.5	286.6
Debt							
Assets	-42.6	-4.8	-1.2	0.1	-10.0	-50.0	-44.6
Liabilities	94.8	132.3	-51.0	-2.8	-124.1	-120.0	-133.0
Other Investment - Long Term	-1146.6	-1622.6	-1539.5	-991.6	-614.7	-668.2	-1350.7
General Government	12.4	74.0	114.3	75.0	88.5	92.6	74.2
Assets	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0	-20.0
Drawings on Loans Received	23.9	85.5	125.8	86.5	100.0	100.0	100.0
Repayments on Loans Received	-6.5	-6.5	-6.5	-6.5	-6.5	-2.4	-5.8
Monetary Authorities: Liabilities	101.6	63.7	73.2	0.0	0.0	0.0	0.0
Banks: Liabilities	-13.4	-28.6	-5.0	0.0	0.0	0.0	0.0
Other Sectors	-1247.3	-1731.7	-1722.0	-1066.6	-703.2	-702.6	-1424.9
Assets	-1055.6	-1633.3	-1742.3	-1098.2	-1284.1	-1649.1	-1816.1
Liabilities	-191.7	-98.4	20.3	31.6	580.9	888.3	391.2
Other Investment - Short Term	348.1	73.5	-93.5	221.1	-189.8	-413.3	-352.9
General Government: Assets	38.9	0.0	0.0	0.0	0.0	0.0	0.0
Banks	250.9	100.2	-414.6	349.4	-169.2	-591.9	-312.9
Assets	0.5	53.8	-209.0	-187.3	-11.4	-329.4	-875.5
Liabilities	250.4	46.4	-205.6	536.7	-157.8	-262.5	562.7
Other Sectors	58.3	-26.7	321.1	-128.3	-20.6	178.7	-40.1
Assets	-47.8	11.5	-24.0	-16.0	-14.0	123.2	-77.1
Liabilities	106.1	-38.2	345.1	-112.3	-6.6	55.5	37.0
<b>Capital and Financial Account Balance, Excluding Reserves (b)</b>	<b>-107.4</b>	<b>-556.1</b>	<b>-671.6</b>	<b>-147.7</b>	<b>-174.1</b>	<b>-280.9</b>	<b>-1155.1</b>
Net Errors and Omissions (c)	68.5	-80.9	51.3	66.3	36.9	71.6	-66.4
<b>Overall Balance (d)</b>	<b>266.3</b>	<b>87.3</b>	<b>98.5</b>	<b>312.3</b>	<b>309.4</b>	<b>349.9</b>	<b>108.5</b>
Reserves	-266.3	-87.3	-98.5	-312.3	-309.4	-349.9	-108.5

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

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

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

(c) Represents net errors and omissions in the current and capital and financial accounts.

(d) Overall balance is equal to the current account balance, plus all identified capital transactions, excluding changes in reserves, plus net errors and omissions.

(p) Provisional.

**Table V.3 BALANCE OF PAYMENTS ESTIMATES 1997 TO 2000 (b): FOREIGN DEVELOPMENT ASSISTANCE TO NAMIBIA**

N\$ million

	1997 Assistance provided to:			1998 Assistance provided to:			1999 Assistance provided to:			2000 (p) Assistance provided to:		
	Nam Gov t	Other	Total	Nam Gov t	Other	Total	Nam Gov t	Other	Total	Nam Gov t	Other	Total
<b>1. All Grants - Cash and Kind (1+2)</b>	<b>493</b>	<b>112</b>	<b>605</b>	<b>688</b>	<b>92</b>	<b>780</b>	<b>567</b>	<b>103</b>	<b>670</b>	<b>411</b>	<b>93</b>	<b>504</b>
<b>1.1 Cash Grants</b>	<b>181</b>	<b>65</b>	<b>246</b>	<b>332</b>	<b>63</b>	<b>395</b>	<b>211</b>	<b>53</b>	<b>264</b>	<b>102</b>	<b>48</b>	<b>150</b>
1.1.1 Budget Support to Government (i.e. Channelled Through State Revenue Fund	97	0	97	213	0	213	81	0	81	31	0	31
1.1.1.1 For Capital Projects	66	0	66	173	0	173	53	0	53	12	0	12
1.1.1.2 Recurrent Expenditure	25	0	25	40	0	40	26	0	26	19	0	19
1.1.1.3 Other Purpose (not specified)	6	0	6	0	0	0	2	0	2	0	0	0
1.1.2 Non-budget Support to Government Projects (i.e. financed outside of budget)	72	0	72	108	0	108	119	0	119	51	0	51
1.1.2.1 For Capital Expenditure	42	0	42	48	0	48	55	0	55	18	0	18
1.1.2.2 Recurrent Expenditure	5	0	5	6	0	6	22	0	22	28	0	28
1.1.2.3 Other Purpose (not specified)	25	0	25	53	0	53	42	0	42	5	0	5
1.1.3 Grants to Namibian Non-Government Organisations	12	65	77	11	63	74	11	53	64	20	48	68
<b>1.2 In Kind Grants</b>	<b>312</b>	<b>47</b>	<b>359</b>	<b>356</b>	<b>29</b>	<b>385</b>	<b>356</b>	<b>50</b>	<b>406</b>	<b>309</b>	<b>45</b>	<b>354</b>
1.2.1 Goods												
1.2.1.1 Capital Goods	41	6	47	23	5	28	27	4	31	13	3	16
1.2.1.2 Other Goods	8	5	13	4	3	7	13	5	18	10	3	13
1.2.2 Services (including technical assistance)	260	35	295	313	20	333	291	38	329	274	31	305
1.2.3 Educational Scholarships	3	1	4	16	1	17	25	3	28	12	8	20
<b>1.3 Loans</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

(p) Provisional

**Table V.4 EXPORTS BY VALUE**  
(N\$ Millions)

Period	Diamonds	Gold	Zinc	Other Minerals	Meat	Fish
1995	1734.5	99.3	44.6	655.6	717.0	1087.0
1996	2253.3	118.7	72.9	796.9	875.5	1532.4
1997	2474.8	123.5	115.7	839.3	553.9	1594.8
1998	2110.4	101.9	113.3	780.4	807.4	2031.0
1999	2809.3	119.7	133.0	827.9	963.7	2259.7
2000	3936.6	160.2	116.9	958.8	989.8	2161.6

NB: Fish exports for 1999 and 2000 are based on quarterly weights which are derived from fish landings as provided by Ministry of Fisheries and Marine Resources projections for the years, adjusted to account for the assumptions made on price and volume.

**Table V.5 FOREIGN EXCHANGE RATES**

Period Averages

Period	US Dollar	British Pound	German Mark	Japanese Yen	Swiss Franc	Spanish Peseta	Euro
1995	0.2757	0.1750	0.3953	25.9388	0.3262	34.3790	0.2134
1996	0.2343	0.1504	0.3520	25.4332	0.2889	29.6288	0.1871
1997	0.2173	0.1327	0.3765	26.2794	0.3153	31.7830	0.1922
1998	0.1823	0.1101	0.3214	23.7756	0.2646	27.2892	0.1629
1999	0.1637	0.1011	0.3001	18.6103	0.2456	25.4789	0.1535
2000	0.1465	0.0955	0.3062	15.5972	0.2441	26.6007	0.1564

Source: SARB

## BON Websites

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

The documents available on special URL are:

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

The Annual Report: [http://www.bon.com.na/annual\\_report.htm](http://www.bon.com.na/annual_report.htm)

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

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

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

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