

1993

ANNUAL REPORT



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The design on the cover is taken from a lino block printing which is in the Bank's art collection.

The artist, Peter Tuhafeni Mwahalukange, born on 22 September 1964 at Ohalushu-Oukwanyama in Namibia, trained under Joseph Madisia at the Academy School of the Arts and the Franco Namibian Cultural Centre.

Peter's work shows a sensitivity to his people, their customs and way of life. He specialises in linocut and etchings, showing his work in his dreams in a storytelling medium.

His art has been exhibited as far afield as Paris, France, and is keenly sought after both in Namibia and abroad.

BANK OF NAMIBIA

ANNUAL REPORT 1993

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BOARD OF DIRECTORS



*Mr E Karlsson
Governor*



*Dr A Jaafar
Governor*



*Mr T K Alweendo
Deputy Governor*



Mr P Damaseb



Mrs B Gawanas-Minney



Mr P W Hartmann



Mr A Botes

BOARD OF DIRECTORS

Directors

Mr E Karlsson
Governor : Until 31 December 1993

Dr A Jaafar
Governor
Date of appointment : 01 January 1994

Mr T K Alweendo
Deputy Governor
Date of Appointment : 01 January 1993

Mr P Damaseb
Date of appointment : 16 July 1990

Mrs B Gawanas-Minney
Date of Appointment : 16 July 1990

Mr P W Hartmann
Date of Appointment : 16 July 1990

Mr A Botes
Date of Appointment : 16 December 1992

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PART A

STATE OF THE ECONOMY IN 1993

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1. INTRODUCTION

Available information on key domestic economic indicators show that the recovery has been slow. Except for the fishing industry which grew rapidly in 1993, the other main sectors displayed mixed performance. The output performance of the mining industry remained weak during 1993 due to the world recession. There was, however, a slight improvement in output performance of some minerals, especially diamonds, during the fourth quarter of 1993. The continuing recovery of the mining sector will be largely influenced by the economic recovery in the industrialised countries, and especially by the world commodity prices. The agricultural sector is still struggling to recover from the devastating drought of 1991 and 1992. Output performance improved moderately during the third quarter and is expected to continue because of the good rains. Against the background of this economic situation, the growth rate in real GDP declined during 1993.

The Namibian economic performance during 1994 is, however, expected to improve because of the positive economic developments in the world economy in general and the South African economy in particular. Economic development in the last six months of 1993 indicate that the prolonged recession in the industrialised countries is receding. Real GDP in the United States is expected to grow by not less than 3 per cent in 1994. Germany and the United Kingdom also show signs of recovery although at a slower pace than the US. Japan is the only major industrial country which has not yet shown any firm sign of recovery.

In South Africa, all economic signs point in the right direction. The most positive development has been the recovery of the agricultural sector, which had spill-over effects on the other sectors of the economy. Other important developments include increased consumer confidence as reflected in retail sales and motor vehicle sales.

Namibia is expected to benefit from these developments in both the world economy and the South African economy, provided the transition to democracy in South Africa goes smoothly. The

fishing industry is expected to lead the recovery in the Namibian economy, followed by tourism and agriculture. The incorporation of Walvis Bay into Namibia in early 1994 is expected to impact positively on further development of the fishing and fish processing industries, and on transport and small scale industries.

In view of Namibia's close monetary relation with South Africa, the Bank of Namibia reduced the Bank Rate in October 1993 from 13 per cent to 12 percent, following similar action by the South African Reserve Bank. Taking into account all other factors, this is not expected to cause inflationary pressure in the domestic economy. In fact the inflation rate is expected to decrease further in line with the South African inflation rate.

2. REAL SECTOR AND PRICE DEVELOPMENTS

2.1 National Output

The year 1993 was a difficult year for the Namibian economy. Value added of the mining sector, which provides about one-third of GDP, dropped remarkably by about 20 per cent in the review year because of slow recovery in the major industrialized countries. However, real value added from general government, the second largest contributor to GDP after mining, increased moderately by 3.6 per cent. The weak performance of these two major sectors resulted in a 2 per cent decline in real GDP. This was in contrast to the 6.4 per cent growth in 1992.

The various sectors of the economy produced mixed growth performance during 1993. The primary sector declined significantly, while the secondary sector recorded a satisfactory growth in the review year because of better performance in the construction and manufacturing activities. The tertiary sector also registered a moderate growth mainly due to the more than 3 per cent increase in the general government's value added.

Taking into account the development of the net income from abroad, the Namibian real GNP increased by 4.2 per cent. Since the population is

growing at the rate of more than 3 per cent per annum, the per capita real GNP rose slightly by 1.1 per cent in 1993 as against the decline of 2.7 per cent in the previous year.

Real gross domestic demand fell slightly by 0.5 per cent during 1993, reflecting the almost 15 per cent decline in gross domestic investment and the rapid run-down of inventories during this period. This is in sharp contrast to the 4.6 per cent increase during 1992 when domestic investment went up by more than 18 per cent. Despite the negative growth in domestic demand, real private consumption increased by 2.7 per cent while government consumption expenditure showed a contractionary stance.

2.2 Sectoral Developments

2.2.1. Agriculture

Output in the Namibian agricultural sector is largely influenced by climatic conditions. Weather conditions during 1993 were favourable compared to the two previous years. This has resulted in a better than expected crop production. However, the lagged effect of the 1992 drought negatively affected output of livestock. Consequently, the agricultural sector registered a mild growth during the review year.

In 1993 the *commercial agriculture* recorded a small growth in output. This was mainly owing to stable meat output, which contributed 90 per cent to the principal commercial agriculture output. Among the other important products of this sector, agricultural crops increased substantially, while output of hides, wool and milk increased moderately.

As a result of the effect of the 1992 drought, total meat output, mainly beef, small stock, pork and game, decreased sharply by 18.5 per cent in the first quarter of 1993, and by 5 per cent in the second quarter. However, meat output has recovered since the third quarter. Overall yearly production of meat in the review year decreased marginally by 0.8 per cent to 106 912 tonnes. This was in contrast to the marked rise of 11 per cent a year before.

Beef plays a dominant role among the principal commercial agricultural products. Although the

number of cattle marketed grew notably by 10 per cent, beef output rose moderately by 4 per cent to 88 256 tonnes during the review year compared with a significant increase of 11 per cent in the previous year.

The number of small stock marketed shrank sharply by 23 per cent, in response to the unattractive prices of carcasses. Consequently, only 17 679 tonnes of small stock meat were produced, representing a steep decline of 19.4 per cent, compared with the 18.3 per cent increase in the previous year.

Pork recorded an increase of 7.8 per cent in output, while *game meat* declined by 23.2 per cent. In the preceding year output of both these products also declined.

As a consequence of the rise in the domestically slaughtered cattle, the number of *raw hides* grew by 5.8 per cent to 220 000 in 1993 compared to the 4.7 per cent growth a year ago, but the performance of raw skins was rather poor. The number of *raw skins* which are derived by the slaughtered small stock in the country, shrank significantly by 27.5 per cent to 220 500 in the review year. This resulted from the decreased number of small stock marketed, which was adversely affected by the slump in the prices of carcasses. The number of *karakul pelts* which was one of the major sources of income for the farmers in the 1980s, has shrunk continuously from the highest level of 655 000 pelts in 1989 to the lowest level of 157 300 pelts in 1993. This was in response to the fluctuating prices over the period. The price of pelts in the May 1991 auction was N\$47.57 per piece. This dropped to N\$34.35 in the December auction, before improving to N\$40.22 in the May 1992 auction. It again dropped to a record low of N\$28.47 in the December 1992 auction. The price improved again in the first half of 1993. In the May 1993 auction the price of *karakul* reached the level of May 1992 auction of N\$40.96 per piece and increased further to N\$55.28 in the December auction of 1993.

After a tremendous decline of 72.4 per cent in 1992, *wool production* increased moderately by 3.5 per cent to 358 tonnes in 1993. Of this, *karakul wool* output surged in the review year from the record low output level of 196 tonnes in the previous year, whereas other wool output which includes mohair, merino,

coloured and other wool, decreased by almost half from 1992's output level of 150 tonnes mainly due to the lack of the market. With regard to *milk*, output is estimated to have increased by 9 per cent due to favourable impact of the improved weather conditions.

During 1993 major *cereal output* rose substantially from the low output level of the drought stricken year of 1992, but still it could not reach the normal output level. This was due to insufficient rain during the planting season. In the review year *maize output* almost doubled to 15 459 tonnes and *wheat output* increased by more than half to 4 762 tonnes from the output level of 1992. Production of *sunflower oilseeds* rose nine fold to 603 tonnes, exceeding the normal output level.

Growth in *subsistence agricultural output* was estimated to be more than that of the commercial agriculture in the review year, because the tremendous increase in the agronomic output pushed up the overall output growth in the subsistence sector as the agronomic output dominates the agricultural output next to livestock. In the previous year this sector's output had declined mildly. According to estimates of the Agronomic Board, output of *mahangu* (millet), the major agronomic product of the subsistence sector, tripled to 60 000 tonnes in 1993 due to the improved weather conditions. Trend in the meat output is estimated to be the same as that of the commercial agriculture. However, detailed information on all the products is lacking in this sector.

2.2.2 Fishing

The fishing sector is growing rapidly, especially after the restoration of the 200 Nautical Mile Exclusive Economic Zone in 1990. This is one of the most dynamic sectors of the Namibian economy, with a high potential for growth and employment. From 1990 to the first half of 1993, the fishing industry, according to a survey conducted by the Ministry of Fisheries and Marine Resources, experienced a 50 per cent growth in employment from 6 000 in 1990 to 9 000 in June 1993. The fishing sector is expected to overtake mining as the largest employer in the private sector in five to ten years.

During 1993, value added by the fishing sector is estimated to have increased by about 37 per cent. The figure for the corresponding period for the previous year was 23 per cent. The increase was attributable to the steep rise in the catch output of high valued fish like hake and pilchard, which resulted from the substantial increase in the total allowable catches (TAC) of these fish species. The TAC for other fish species was not increased in 1993. As a consequence, total physical volume of fish catches during the review year is estimated to have grown by 8.4 per cent to 706 787 tonnes from 652 183 in the previous year.

2.2.3 Mining

Mining is the backbone of the Namibian economy. It generates about one third of GDP and is the largest contributor to total merchandise exports. During 1993, however, the mining sector registered a weak performance. According to the national accounts statistics published by the Ministry of Finance, total mining output shrank notably by about 20 per cent during the year under review as opposed to the 2 per cent growth in the preceding year. This decrease was mainly due to the sharp decline in all the mining output in general and diamond output in particular, caused by the sluggish performance of the world economy, especially the major industrialized economies.

2.2.3.1 Diamonds

As a result of weakness in the demand for rough diamonds in the world market, the Central Selling Organization (CSO) in London imposed a 25 per cent cut on the export of rough diamonds in September 1992. Each producer member of the CSO cartel was given the same 75 per cent quota. Each producer then had to decide whether to cut back on production, or whether to stockpile excess production which could not be exported. In Namibia, diamond output started to decline. In the first quarter of 1993, output fell by 30.7 per cent compared with the same quarter of 1992. But, in the second quarter, the decline slowed down as the CSO increased the quota to 85 per cent in two steps, first in May and later in July of 1993. In the fourth quarter of 1993, only 247 000

carats of diamonds were produced. Contributing reasons for this decline were: (1) the two week long strike at the Consolidated Diamond Mines (CDM) during the review period and (2) the flooding of the market with Russian rough diamonds. During the year, a total of 1 142 000 carats of diamond were produced in Namibia, representing a fall of 26.3 per cent in 1993. However, the average producer prices of rough diamonds were reported to have improved during the year under review compared with a year ago.

The prospects for diamonds in 1994 look good with the recovery in the United States and other major industrialized countries.

2.2.3.2 Uranium

During the year under review, uranium output remained almost at the previous year's level of 2 168 short tons. In 1992 the output decreased by 31.7 per cent (table 2.1). The present level of uranium output is less than 50 per cent of annual production capacity due to the sharp fall in the world uranium prices. However, in 1994 the uranium output is expected to increase by about 15 per cent as the sales contracts expand.

Table 2.1 Output of Major Minerals and Overall Weighted Index (1991=100)

Products	Unit	1990	1991	1992	1993
1. Diamonds	000 ct	761.3	1187.0	1549.0	1142.0
2. Uranium	s ton	4174.2	3186.0	2175.0	2168.0
3. Copper	ton	33190.0	31928.0	37656.0	35788.0
4. Zinc	ton	72411.0	68099.0	71897.0	53995.0
5. Gold	kg	1605.0	1851.2	2077.1	1954.0
6. Lead	ton	35129.0	33367.0	31656.0	31253.0
7. Silver	kg	91635.0	91293.0	87668.0	71671.0
Overall Index	%	84.08	100.00	115.19	92.44

Source: Ministry of Mines and Energy and Rössing Uranium Ltd.

2.2.3.3 Other Minerals

Output of the other minerals, comprising of copper, zinc, lead, gold and silver, declined during 1993, compared with the previous year. This decline was partly caused by a 23 per cent drop in the London

Metal Exchange (LME) average prices. The price of zinc, for example, dropped sharply by 22.7 per cent to US\$958.75 per tonne in 1993, compared with a year ago. As a consequence, zinc output in 1993 decreased by 25 per cent to a record low, since 1985, of 53 995 tonnes. The LME average price of lead decreased by 12.9 per cent. This led to the output of lead declining by 1.5 per cent to 31 253 tonnes in the year under review, compared with the 5.1 per cent decrease in the previous year. Output of gold and silver also declined by 6 per cent and 18 per cent, respectively, despite the increases in the LME average prices for these metals.

2.2.4 Manufacturing

The national accounts statistics show that the manufacturing sector during 1993 registered an estimated output growth of about 6 per cent, compared with the 3.9 per cent in the previous year. This was made possible by the fish processing sub-sector which experienced significant growth. The other manufacturing sub-sector is estimated to have recorded a small growth in the review period.

Table 2.2 Principal Agricultural Production and Overall Weighted Index (1991=100)

Products	Unit	1991	1992	1993
A. Livestock				
1. Meat	ton	96 679	107 800	107 089
cattle	ton	76 371	84 865	88 256
small stock	ton	18 543	21 943	17 679
pigs	ton	1444	695	926
game	ton	321	297	228
2. Hides and skins				
no. of hides**	000	198.5	207.9	219.6
no. of skins	000	672.2	539.5	377.3
small stock**	000	250.3	304.1	220.5
karakul pelts	000	421.9	335.4	156.8
3. Wool [~]	ton	1250.4	345.0	357.6
karakul wool [~]	ton	1064.2	195.2	277.1
other wool [~]	ton	186.2	149.8	80.5
4. Milk [~]	hl	125733	132000*	138600*
B. Cereal and other				
1. Cereals	ton	41 465.0	11 116.0	20221
maize	ton	35065	8000	15459
wheat	ton	6400	3116	4762
2. Other				
sunflower	ton	108	58	603
Overall Index	%	100	105.1	104.4

* estimated by the Bank of Namibia

** Based on the number of cattle and small stock slaughtered in the country.

[~] In this case the annual figure has been placed in the fourth quarter.

Source: Meat Board, Agronomic Board, Karakul Board, Ministry of Agriculture and Rural Development

According to the production survey of some major industries conducted by the Research Department of the Bank of Namibia, performance of the manufacturing sector remained mixed during the calendar year of 1993 compared with a better situation in the preceding year. Fish products (canned fish, fish meal and fish oil), liquor, and washing and cleaning products registered notable increases in production during the review year, while meat products (both canned and processed), beer and soft drinks registered discouraging performance (table 2.2).

During the year under review, the combined output of *processed and canned meat* decreased by 18.9 per cent to 3 383 tonnes as opposed to a rise of 37.7 per cent in the previous year. The major factor contributing to the decline was the sluggish demand for canned meat in the international markets.

Output of *fish products* was encouraging during the year under review. As a result of the increase in total allowable catches of pelagic fish, production of canned fish rose substantially by 40 per cent to 6 439 200 cartons during 1993, compared with a 31.4 per cent increase in 1992. Output of fish meal and fish oil surged by 3 per cent and 9.5 per cent, respectively during the review year.

The Namibian economy, would be self-reliant in the production of *beer and soft drinks* if the two beer factories (Namibia Breweries and Hansa Breweries), and the three soft drinks factories, including Oshakati plant which began production in 1993, were to produce at full capacity. However, due to strong competition from South African products imported into Namibia without any tariff, these factories are producing below capacity.

Paint output increased by 11 per cent to 33 291 hecto litres in 1993. Production of liquor has been increasing every year. In 1992 it rose substantially by 71.5 per cent and in 1993 it further increased by 26.4 per cent. Production of washing and cleaning products surged 5.6 per cent to 685 500 kg in 1993 as against the 8.3 per cent decrease during 1992.

Cement Industries, the only cement factory in the country, which started commercial production in the last quarter of 1992, produced a full year's production of 26 502 tonnes of cement in 1993. After having received the South African Bureau of Standards (SABS) mark for this qualitative cement in 1993, the market for this product picked up. As a result, output from the first quarter of 1993 kept on rising notably until the third quarter which witnessed a total production of 7 500 tonnes of cement.

Some new factories began their production during 1993. Meat Corporation of Namibia (Meatco) started a Tannery Factory to process cattle hides. Its capacity to process wet-blue hides is 960 hides per day. The Bright Foods Factory in Walvis Bay, with annual production capacity of 3 000 000 cans, also began to produce canned fish in the review year. Similarly, Oryx Fisheries set up a processing factory in Walvis Bay, which has a daily processing capacity of 36 tonnes of hake and other white fish.

2.2.5 Construction

The main indicators of private sector construction activities (total value and number of buildings completed, and building plans passed; and outstanding mortgage loans) show that, notwithstanding the slackness in the overall economy, construction activities boomed during 1993. Government's construction activities slackened because of its reduced capital expenditure budget.

During the year under review, total value and number of buildings completed expanded to N\$283.9 million and 2 748, respectively, reflecting substantial increases of 77 per cent and 34.3 per cent, compared with rises of 26.4 per cent and 7.7 per cent a year ago. This was principally because of the increase in the construction activities of the non-residential buildings, especially commercial and institutional buildings. Similarly, a sharp increase in the residential building plans approved pushed up the total value and number of building plans passed to N\$342.8 million and 4 225 respectively, recording 7.5 per cent and 3.3 per cent rises during the review year. This compares with the significant increases of 37.8

per cent and 23.2 per cent respectively, during the preceding year. Total outstanding mortgage loans from the building societies and the National Housing Enterprise (NHE) also surged 18.2 per cent to N\$828.6 million in 1993.

2.2.6 Tourism

Compared with an increase of 11 per cent in 1992, tourist arrivals increased by 26.3 per cent to 215 600 in 1993. Of the total number of tourist arrivals, 58 per cent came from South Africa, representing an 18.5 per cent increase on last year. About 16 per cent arrived from other African countries, while the rest came from Europe and other countries. However, the performance of the capacity utilization of the hotel industry was discouraging in the review year. Average occupancy rates of both rooms and beds moved down by 5.6 per cent and 4.7 per cent to 39.1 per cent and 28.2 per cent respectively as opposed to the 6.7 per cent and 7.2 per cent rises during the previous year. Regarding accommodation capacity, total number of both rooms and beds in 1993 remained almost at the 1992's level which recorded moderate increases.

2.3 Employment

Information on the overall employment situation for 1993 is not yet available. However, preliminary data show that employment in the mining sector, the largest employer in the private sector, declined by 13.9 per cent in 1993. The total number of employees in this sector, according to the Chamber of Mines' Annual Report for 1993, decreased to 9 854 in the review year from 11 441 in the previous year. A major cut in mining employment occurred at the Consolidated Diamond Mines (CDM), the largest employer in the mining industry, because of retrenchments. From 1980 to 1993, the total number of employees in the mining sector has dropped from 19 776 to 9 854, reflecting an average annual decline of 3.9 per cent over the 13 years period. The declining trend in job opportunities in the mining industry reflects the difficulties experienced by the industry in the last five to seven years.

Employment opportunities, however, are rising in the fishing industry. According to a recent survey

by the Ministry of Fisheries and Marine Resources, total employment opportunities in the fishing sector have increased by 50 per cent from 6 000 in 1990 to 9 000 in the first half of 1993. This trend is expected to continue for the next five to ten years.

2.4 Price Developments

The rate of inflation in Namibia, as measured by the Windhoek interim consumer price index decelerated to its lowest level of 7.8 per cent in the third quarter of 1993, from a high of 18.5 per cent in the same period in 1992. The decline in the inflation rate was mainly due to the substantial decline in the food sub-index, which account for the highest weight in the overall consumer price index, from 19.4 per cent in 1992 to 6.4 per cent by September 1993. Since then the inflation rate has steadily increased and reached 9.7 per cent by the end of the year. This increase is partly due to lower interest rates and the reduction in sales tax from 11 per cent to 8 per cent in the latter half of 1993, which caused a higher demand.

3 MONEY AND BANKING

3.1 Monetary Developments

The introduction of the national currency, the Namibia Dollar in September 1993, marked the most important development in the Namibian financial system. This event allowed for the first time in the history of Namibia at least a partial measurement of the currency in circulation. The currency in circulation, plus demand deposits with the commercial banks, measure one of the most important indicators of money supply, namely, narrow money (M1).

For the first time, the IMF has opened a statistics page for Namibia in its monthly publication "International Financial Statistics". This is a major breakthrough from the point of view of informing outsiders about the financial scene in Namibia, including foreign businessmen who are considering international investments for Namibia.

3.2 Bank of Namibia

The accounts of the Bank of Namibia are summarised in table 3.1. The assets of the Bank of Namibia

increased dramatically over the past two years, from N\$160 million in 1991 to N\$1 076 million in 1993.

Foreign assets of the Bank of Namibia more than tripled during the year under review, from N\$142 million to N\$456 million. The introduction of the Namibia Dollar played a major role in this regard. The South African Rand taken out of circulation is reinvested in South Africa or elsewhere as part of Namibia's foreign reserves.

On the liabilities side, reserve money, consisting of currency outside deposit money banks and bankers reserves, went up by N\$206 million over the year to N\$222 million. Government deposits were of the same magnitude.

3.3 Commercial Banks

Total assets/liabilities of the commercial banks rose by N\$558 million to N\$3 346 million in December 1993. The expansion of the lending to the private sector is notable; credit to this sector grew by N\$626

million over the year and made up 81 per cent of total assets, compared to 75 per cent a year ago. Loans and advances, which made up 61 per cent of the credit to the private sector, rose by 15 per cent over the year. Details are given in table 3.2 and chart 3.1.

Foreign assets, mainly consisting of deposits with Namibian banks' affiliates in South Africa, declined by N\$180 million. Credit to Central Government from the commercial banks rose by 63 per cent during the review year. This high rise reflects the increased commercial banks' involvement in purchasing treasury bills and government stocks. However, most of the issued government borrowing instruments were placed outside the banking sector.

As can be seen in chart 3.2, foreign liabilities of the commercial banks (mainly borrowing from South African Affiliates) increased by N\$62 million during 1993. Time and saving deposits made up 46 per cent of total liabilities, followed by demand deposits with 40 per cent at the end of December 1993.

TABLE 3.1 BANK OF NAMIBIA: ASSETS AND LIABILITIES (N\$ Million)

End of Year	1991	1992	1993
Assets:			
Foreign Assets	160.1	142.4	455.6
Foreign exchange	159.4	141.3	454.4
Other	0.7	1.1	1.2
Domestic assets	0.1	0.3	0.4
Long term Government Loan	-	510.3	619.6
Total Assets	160.2	653.0	1 075.6
Liabilities:			
Reserve money	18.1	16.4	221.9
Deposits	135.6	143.4	221.7
Government	123.1	143.4	221.7
Other deposits	12.5	0.0	0.0
Long term Foreign Loan	-	502.0	603.1
Other Foreign Liabilities	0.7	7.9	9.3
Capital accounts	21.8	31.9	40.6
Other items (net)	-16.0	-48.6	-21.0
Total Liabilities	160.2	653.0	1 075.6

3.4 Monetary Survey

In Namibia, the monetary survey consolidates the assets and liabilities of the Bank of Namibia and the four commercial banks. Thus, the monetary survey shows the financial relationship between the monetary system which provides the economy's means of payments and the rest of the economy.

As can be seen in table 3.3, total assets of the

monetary system increased by N\$820 million to N\$3 817 million in December 1993. Domestic credit, which is one of the major determinants of money supply rose by 33 per cent over the year owing to a 30 per cent increase in claims on the private sector. The market's perceptions of further imminent decreases in Bank Rate played a significant role over the year. The result of a reduction in Bank Rate normally is that all market related interest rates fall. The commercial banks' prime lending rate was

TABLE 3.2 COMMERCIAL BANKS: ASSETS AND LIABILITIES (N\$ Million)

End of Year	1991	1992	1993
Assets:			
Currency Holdings	66.5	66.9	72.3
Namibia Dollars	0.0	0.0	60.9
South African Rand	66.5	66.9	11.4
Deposits with Bank of Namibia	18.1	16.4	27.2
Foreign Assets	585.5	375.7	195.0
Claims on Government	40.8	171.6	279.2
Claims on Private Sector	1 599.9	2 079.2	2 705.5
Other Assets	72.4	78.3	67.2
Total Assets	2 383.2	2 788.1	3 346.4
Liabilities:			
Demand Deposits	809.5	1 002.4	1 333.1
Time and Savings Deposits	1 103.1	1 420.1	1 529.5
Foreign Liabilities	126.4	99.3	160.9
Government Deposits	232.6	109.9	113.3
Other Liabilities	107.6	156.4	209.6
Total Liabilities	2 383.2	2 788.1	3 346.4

CHART 3.1 COMMERCIAL BANKS: CLAIMS ON THE PRIVATE SECTOR

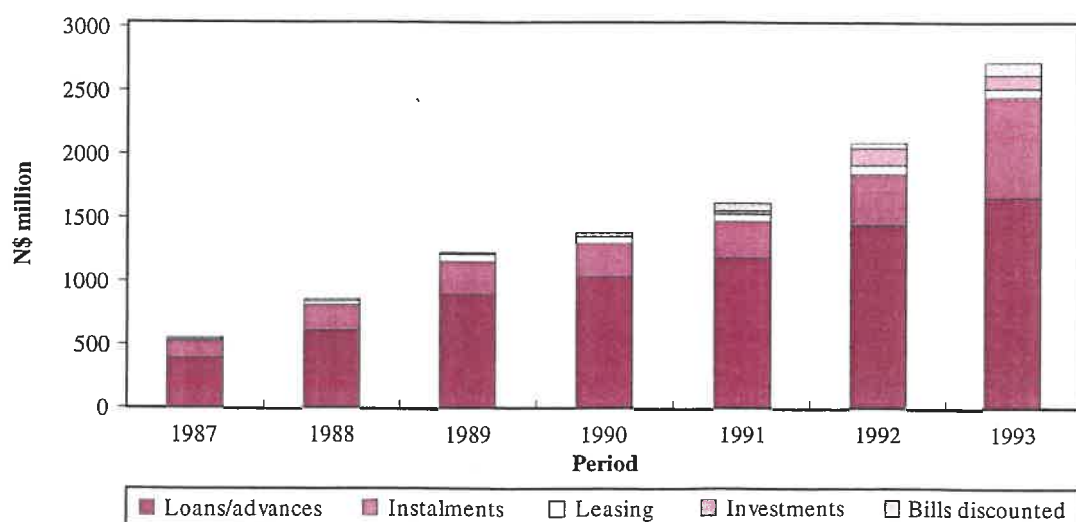


CHART1 3.2 COMMERCIAL BANKS: LIABILITIES

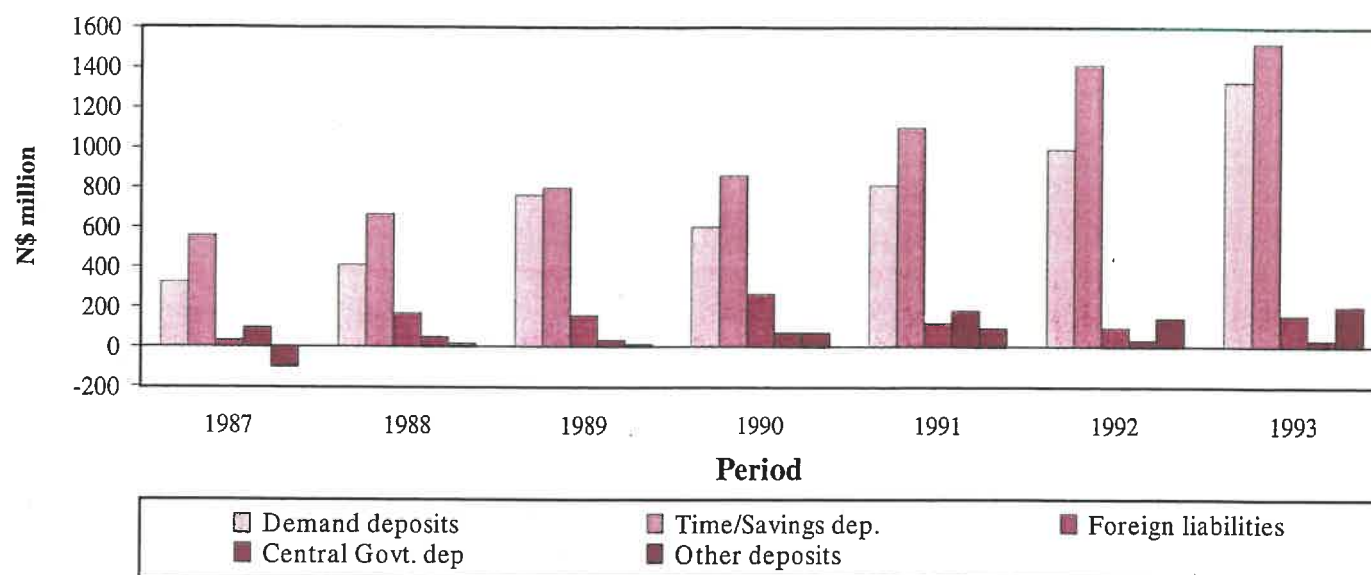


TABLE 3.3 MONETARY SURVEY (N\$ Million)

End of Year	1991	1992	1993
Assets:			
Net Foreign Assets (short term)	618.5	410.9	480.4
Domestic Credit	1357.4	2037.0	2717.3
Net Claims on Government (short term)	-314.9	-120.8	-55.8
Claims on Private Sector	1599.9	2079.2	2705.5
Other Claims	72.4	78.6	67.6
Long term Government Loan	-	549.3	619.6
Total Assets	1975.9	2997.2	3817.3
Liabilities:			
Money	822.0	1002.4	1466.8
Quasi money	1103.1	1420.1	1529.5
Other items (net)	50.8	72.7	217.9
Long term Foreign Loan	-	502.0	603.1
Total Liabilities	1975.9	2997.2	3817.3

reduced in November 1993 by one percentage point to 15.5 per cent. Overdraft rates, instalments sales, leases, mortgage bonds, etc., all followed suit after the Bank Rate was dropped twice in 1993 by one percentage point each time, first in February and then in October to 12 per cent.

Net foreign assets of the monetary system increased by N\$70 million over the twelve month period and stood at N\$480 million. This increase was mainly caused by a more than 200 per cent increase in foreign assets of the Bank of Namibia as foreign assets of the Commercial banks declined by 48 per cent over the year.

3.5 Other Banking Institutions

The Building Societies, the Post Office Savings Bank, Agricultural Bank of Namibia, and National Housing Enterprise comprise the other banking institutions. During the year under review, total assets of these institutions increased by N\$164 million, or 14 per cent to N\$1 325 million. This increase is mainly attributed to a 14 per cent increase in claims on the private sector. Claims on the Central Government went up by only N\$3 million over the year, while Central

Government deposits rose by N\$11 million. Foreign liabilities increased moderately by only N\$2 million.

The downward trend in interest rates enabled a higher number of people to acquire houses. During 1993 mortgage loans granted by the building societies and the National Housing Enterprise increased by N\$128 million to N\$829 million, compared to 1992.

3.6 Banking Survey

The banking survey consolidates the assets and liabilities of the banking system, ie the Bank of Namibia, the commercial banks and the other banking institutions.

At the end of December 1993, total assets of the banking system were N\$4 357 million, representing a 25 per cent increase over the past twelve months. This increase in total assets is moderately lower than the 48 per cent increase recorded over the corresponding period last year. Of the two major components or determinants of money supply, there was an increase of N\$843 million in domestic credit to N\$3 870 million while net foreign assets went up by N\$70 million over the period.

TABLE 3.4 OTHER BANKING INSTITUTIONS: ASSETS AND LIABILITIES (N\$ Million)

End of Year	1991	1992	1993
Assets:			
Reserves	149.6	138.4	138.9
Foreign assets	0.0	0.7	0.7
Claims on Government	0.0	3.0	6.0
Claims on Private Sector	767.8	1 003.8	1 148.7
Other Claims	18.0	15.1	30.2
Total Assets	935.4	1 161.0	1 324.5
Liabilities:			
Time and Savings Deposits	376.4	479.8	499.4
Money market instruments	147.0	153.1	223.8
Foreign liabilities	2.8	8.6	10.2
Government deposits	62.0	11.0	21.8
Other liabilities	347.2	508.5	569.3
Total Liabilities	935.4	1 161.0	1 324.5

During the year under review, narrow money (M1) as represented by demand deposits and currency outside banks went up by 46 per cent to N\$1 467 million. Broad money (monetary and quasi-monetary liabilities of the banking system), grew by 22 per cent over the year.

3.7 Interest Rates

Interest rates in Namibia are influenced by the developments in the South African money and capital markets. The Namibia inflation rate which fell rapidly over the last twelve months resulted in a fall of both short and long term interest rates. Following reductions in the Bank Rate by the South African Reserve Bank, the Bank of Namibia lowered the Bank Rate on two occasions in 1993. Firstly it was lowered by one percentage point from 14 per cent to 13 per cent in February and later in the year, October 1993, reduced by another percentage point to 12 per cent.

After the Bank of Namibia reduced its Bank rate, the commercial banks followed by reducing their prime lending rate by one percentage point in

November 1993 to 15.5 per cent. The building societies also reduced their prime lending rate by a percentage point to 16 per cent.

The commercial banks' lending rate was 16.7 per cent in December 1993, compared with 18.5 per cent a year ago. The deposit rate was 9.2 per cent, from 10.4 per cent in December last year.

CHART 3.3 COMMERCIAL BANKS' LENDING AND DEPOSIT RATES

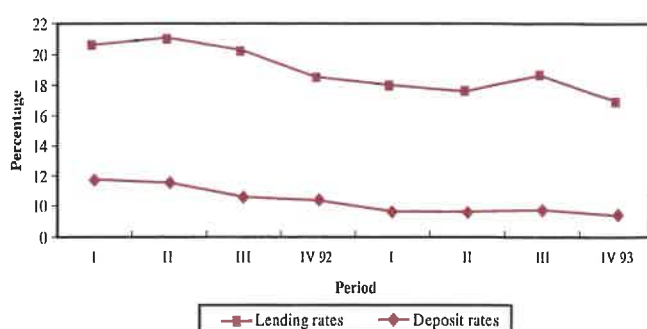


TABLE 3.5 BANKING SURVEY (N\$ Million)

End of Year	1991	1992	1993
Assets:			
Net Foreign Assets	615.6	403.0	470.9
Domestic Credit	2 068.1	3 026.7	3 869.9
Net Claims on Government (short term)	-376.9	-128.7	-716.0
Claims on Private Sector	2 367.6	3 083.0	3 854.2
Other Claims	77.4	72.4	87.4
Long term Government Loan	-	549.3	619.6
Total Assets	2 683.7	3 477.0	4 357.3
Liabilities:			
Broad Money	2 151.8	2 764.0	3 356.9
Monetary Liabilities	672.4	864.0	1 328.0
Quasi monetary Liabilities	1 479.4	1 900.0	2 028.9
Other Items (net)	531.9	713.0	1 000.4
Long term Foreign Loan	-	502.0	603.1
Total Liabilities	2 683.7	3 477.0	4 357.3

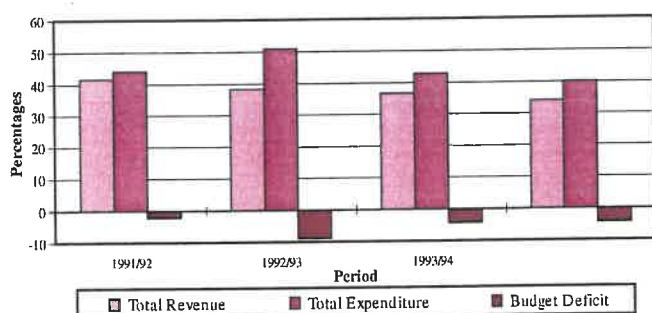
4. PUBLIC FINANCE

4.1 Fiscal year 1992/93

After three years of independence, the fiscal year 1992/93 was characterised by continuing increase in capital expenditure in the form of various development projects, but the increase in current expenditure outstripped capital expenditure by more than half. Capital expenditure increased by 21 per cent while current expenditure increased by 50 per cent. The budget deficit, with grants recorded as income, amounted to N\$639 million, ie 9 per cent of GDP.

Close to half of the deficit, or N\$306 million, was financed by issuing treasury bills and registered stocks and the balance was financed by running down cash balances, supplier's credit and loan recoveries.

CHART 3.4 REVENUE, EXPENDITURE AND DEFICIT AS A PERCENTAGE OF GDP



4.2 Fiscal year 1993/94

As the third budget presented since independence, there was a considerable pressure on the Government to address socio-economic inequalities that existed before independence. The budget deficit with grants regarded as income for the fiscal year 1993/94 was estimated at N\$409 million, which is 5.2 per cent of GDP. The expansion in the budget deficit was the result of an increase in current expenditure, which exceeded the budgeted amount by N\$156 million.

As in previous financial years, the deficit was financed with funds raised in the local market. The major instruments used to finance the deficit are treasury bills and Government stocks.

4.3 Budget Speech 1994/95

The budget speech for fiscal year 1994/95 had a clear objective of exercising fiscal restraint, especially in current expenditure and to ensure that capital expenditure are to a large extent allotted to development projects. The emphasis on fiscal restraint was particularly important for maintaining confidence in the new Namibian currency.

Total estimated revenue for fiscal year 1994/95 is expected to increase by 14 per cent from N\$2 851 million to N\$3 239 million. The bulk of the increase is as a result of the reintegration of Walvis Bay which will broaden the tax collection base. The positive aspect of the budget is that the persons earning less than N\$10 000 per annum will be exempted from tax as opposed to N\$5 000 per annum previously. Another abatement is that a sole breadwinner with one child who earns less than N\$15 000 will not pay any tax. The minimum rate which was reduced to 12 per cent from 14 per cent is adjusted back to 14 per cent in the current budget.

In addition to the tax incentives for manufacturing enterprises announced last year, there is a tax exemption on some 80 per cent of all profits on exporting goods manufactured either in Namibia or elsewhere. This is in line with the Government's intention of not only depending on primary products for exports but also encouraging manufacturing industries to participate fully in the development of the economy. The top marginal rate of 38 per cent will stay at the same level, however, this will only be applicable to income of over N\$120 000 per annum and not N\$100 000 as was previously the case. Company tax rate (excluding oil and mining companies) stays at 38 per cent. An adjustment in the value of livestock is that it goes up by 10 per cent.

Total expected expenditure amounts to N\$3 690 million which represents an increase of 10 per cent over the revised expenditure of the fiscal year 1993/94. Current expenditure is envisaged to increase by 15 per cent while capital expenditure is expected to increase by a mere 1 per cent from the previous fiscal year.

The resulting budget deficit with grants regarded as income is set to be N\$368 million. The deficit to GDP ratio is estimated to be 4 per cent. The envisaged deficit is financed mostly from domestic sources by issuing Treasury bills and Government stock.

4.4 Government Debt

The total outstanding Government debt at the end of the financial year, i.e, March 1994, amounted to N\$1 810 million which is 19 per cent of GDP. The bulk of the debt consists of the pre-independence debt.

The increase in Government debt during the financial year amounted to N\$484. The issuing of stocks on the local market was the most important borrowing instrument, and the outstanding amount of stocks increased by N\$343 million.

5. BALANCE OF PAYMENTS

5.1 Main Balance of Payments Aggregates

The provisional data for 1993 indicates an increase in the surplus on Namibia's current account. This is mainly due to healthy transfers and trade balances. The capital account, as in previous years, remained in deficit, reflecting in particular capital outflows in the form of pension fund and life assurance investments to South Africa.

As a result of transactions on the current and capital account, Namibia's foreign exchange assets increased by N\$104 million. In addition, the introduction of the Namibia dollar meant that Rand bank notes were withdrawn from circulation and deposited in South Africa. This increased reserve assets by a further N\$195 million. At the end of December 1993 these reserves totalled N\$454 million, equivalent to 6 weeks import cover.

Foreign assets totalled N\$9.2 billion at the end of December 1993, higher than Namibia's current GDP of N\$8.2 billion. The main components of foreign assets are pension funds and life assurance policies of Namibian residents. Total foreign liabilities came

TABLE 4.2 GOVERNMENT DEBT (N\$ Million)

End of March	1993	1994
Foreign debt	459.1	488.4
Stocks *	439.6	403.6
Other Loans *	19.5	13.0
Long term stocks	-	55.7
Other loans	-	16.1
Domestic debt	866.9	1 321.7
Treasury Bills	195.6	212.3
Stocks	130.6	473.6
Bank of Namibia Loan *	524.3	629.9
Other Loans	16.4	5.9
Total Debt	1 326.0	1 810.1

*pre-Independence

to N\$9.3 billion at the end of 1993. Foreign direct investment in Namibia accounted for some 75 per cent of this total, mostly in the mining sector.

The gap between foreign assets and foreign liabilities, ie Namibia's net foreign position, has been narrowing since 1990. A net foreign liability of N\$1.8 billion in 1990 fell to N\$0.2 billion in 1993. This reflects a significant rise in the market value of pension fund and life assurance assets over the rise in value of equity investment in Namibia.

TABLE 5.1 INVESTMENT POSITION MAIN AGGREGATES (N\$ Million)

	1990	1991	1992	1993 (a)
Reserve assets	205	171	152	454
Foreign assets	5 353	6 402	6 985	9 160
Foreign liabilities	7 202	7 726	8 566	9 330
Net foreign liabilities	1 849	1 324	1 581	170

(a) Provisional

TABLE 5.2 BALANCE OF PAYMENTS MAIN AGGREGATES (N\$ Million)

	1991	1992	1993 ^(a)
Balance on current account	503	434	690
Balance on merchandise trade	293	259	512
Merchandise exports f.o.b.	3 401	3 826	4 224
Merchandise imports f.o.b. (excluding duty)	-3 108	-3 537	-3 712
Net services	-892	-947	-826
Net income	276	114	165
Net transfers	826	1 008	839
Balance on capital account	-421	-350	-516
Direct investment, net	309	232	215
Portfolio investment, net	-868	-732	-571
Pension funds	-402	-536	-635
Life assurance	-400	-229	-65
Other	-66	33	129
Other long term capital, net	125	57	131
Official	102	4	56
Monetary authorities	-	80	101
Banks	-19	-11	-11
Other sectors	42	-16	-15
Other short term capital, net	13	93	-291
Official	270	-12	-27
Banks-305	152	-310	
Other sectors ⁴⁸	-47	46	
Balancing item (net erros & omissions)	-116	-103	-70
Overall balance/change in reserves	-34	-19	104

- Indicates nil or less than N\$ 500 000

(a) Provisional

5.2 Current Account

Despite the significant decline in the net transfers of 16.8 per cent, the current account surplus remained relatively large. It increased by 59 per cent to N\$690 million in 1993, reflecting the strong performance of the mining and fishing industries.

The better performance of *merchandise exports* resulted in N\$512 million trade surplus which is almost double the previous year's level of N\$259 million.

The share of diamond exports to total mineral exports remained constant at about 64 per cent. However, its exports value increased by 13 per cent in 1993, compared to 9 per cent in 1992. The increase in the 1993 value of diamond exports was mainly due to better prices. This resulted from an increase in the proportion of higher quality offshore diamonds in total carat production from 17 per cent in 1992 to 27 per cent in 1993. In addition, there were gains for exporters from a depreciating Rand against the US Dollar.

Higher fish quotas and better fish catches resulted in significant increases in the value of exports in 1993 for some fish types. In particular, hake increased by 20 per cent and lobsters and crabs by 43 per cent. In addition, manufactured fish exports rose by some 30 per cent. Since independence the fishing industry has become increasingly important to Namibia's export performance. Over the 4 year period, exports of fish and related manufactured products have more than doubled. Other exports have increased by about 40 per cent over the same period.

Exports of food and live animals other than marine products stayed constant in 1993. Live cattle exports increased by 26 per cent, offset by a decline in the exports of game, sheep and goats. Exports of meat and meat preparations also remained at the same level as in 1992.

Provisional imports data for 1993 suggests an increase to N\$3.7 billion, about 4 per cent higher than the 1992 data. Since 1990, imports have gone up by less than 30 per cent, while exports have increased by about 50 per cent.

As can be seen from the 1992 data in table 21 in the statistical appendix, Namibia is starting to import more merchandise goods from non-SACU countries. However, 88 per cent of Namibia's imports still come from South Africa. Among the major import commodities, food, live animals, beverages and tobacco remains the largest commodity group, accounting for about 27 per cent of total merchandise imports, (table 22).

Tables 21 and 22 show imports cif, which differ from the amount and valuation basis of imports shown in the current account, as the latter reflects various adjustment factors for which a commodity and country dissection is not available.

The deficit on *net services* displayed a steady increase over the 1990-1992 period. However, the provisional balance for 1993 shows a marked decline in this deficit to N\$826 million, 13 per cent down on 1992. This is largely due to a significant increase in the surplus on net international travel, reflecting increased earnings in the tourism sector.

The net deficit in transportation services also declined slightly in 1993. This can be attributed to the reduction of the number of boats chartered from foreign fishing boat operators, which forms a part of this category. Other transportation services increased, reflecting growth in Namibia's international trade in 1993.

Business, administrative, financial and communications services recorded a similar net deficit in 1993 as in the previous year. The net balance on other government services moved to a very small deficit for the first time in 1993, representing more expenditure on Namibian missions abroad than foreign missions in Namibia.

Investment income showed a net surplus of N\$176 million in 1993, while compensation of employees recorded a net deficit of N\$11 million. Namibia's major income receipts are from pension funds (N\$270 million) and life assurance policies (N\$218 million) invested in South Africa. The major payments are to foreign direct investors, in the form of dividends (N\$267 million) and retained earnings (N\$170 million).

Net transfers in cash and kind, such as foreign aid, peaked in 1992, but declined by 17 per cent to a surplus of N\$839 million in 1993. The decline was mostly due to a sharp decrease in foreign aid, particularly in official development assistance provided by international/multilateral organisations. Both aid in cash and in kind declined markedly, as the drought in Namibia ended in 1992. SACU transfers, the other significant component of this current account category, have increased moderately since independence.

5.3 Capital Account

The capital account of the balance of payments registered a net capital outflows of N\$516 million during 1993, reflecting the continued net outflows in portfolio investment which more than offset the net inflows of direct investment.

After increasing dramatically in 1991, *direct investment* flows into Namibia declined in 1992 and remained constant in 1993. At an average of N\$216

million per annum over the last 4 years, investment flows into Namibia have greatly exceeded flows from Namibia (about N\$7 million per annum).

Transactions in *portfolio investment*, mostly pension funds and life assurance policies in South Africa, constitute the major outflow from the capital account. On average, the annual outflow has been approximately N\$665 million over the last 4 years.

Other capital covers all investment other than direct and portfolio investment and reserve assets, for example: trade credits, loans, currency and deposits and other accounts receivable and payable. The long term sub-category, (covering loans with an original maturity of more than one year), has consistently shown inflows of capital since independence. It is dominated by the capitalization of the redemptions and interest of the government's pre-independence debt. The short term sub-category, (covering loans with an original maturity of one year or less), has, not surprisingly, been highly volatile and shows no clear trend.

The consistent deficit on the capital account has been largely due to outflows in the portfolio investment category, specifically increases in Namibian pension fund and life assurance assets in South Africa. The position of Namibia's deficit has improved in relation to GDP, from 10.6 per cent in 1990 to 6.3 per cent in 1993.

5.4 Reserve Assets

Namibia's foreign exchange holdings increased by N\$302 million to N\$454 million during 1993. This is a result of the introduction of the Namibia dollar as well as the excess of the current account over the capital account. Namibia's imports cover (the number of weeks a country's imports can be financed from its national reserves) has increased from 2 weeks in 1992 to 6 weeks in 1993.

5.5 International Investment Position

Namibia's foreign assets increased by N\$2.2 billion or 31 per cent from the end 1992 level to N\$9.2 billion at end 1993, reflecting mainly the significant rise in value of pension fund assets. Namibia's foreign

liabilities rose by N\$0.8 billion or 9 per cent to N\$9.3 billion over the same period, due mainly to a slower rise in the market value of equity investments.

The main components of foreign assets are pension funds and life assurance policies of Namibian residents, accounting for over 75 per cent of the total. Foreign direct investment in Namibia makes up a similar proportion of the total foreign liabilities of Namibia.

5.6 Pension Fund, Life Assurance and Unit Trust Investments

Further details of financial transactions and foreign assets associated with pension fund, life assurance and unit trust business, most of which is conducted with life assurance companies in South Africa, are given in table 5.3.

The total market value of Namibian pension fund investments in South Africa has increased from N\$1 662 million at the end of 1989 to N\$4 134 million at the end of 1993. This represents a 150 per cent increase over the period, or an average compound growth rate of just under 26 per cent per annum. About 40 per cent of the N\$1.1 billion increase in 1993 was due to unrealised capital gains.

It might be noted that while most Namibian pension fund assets are invested in South Africa some are invested in Namibia itself. These are not separated out in this analysis because all assets are managed from South Africa, and those in Namibia may not be specifically linked to Namibian funds. All investment transactions in Namibia by South African's life offices or other investment managers are covered elsewhere in the balance of payments.

As with pension funds, almost all the life assurance business transacted by Namibian residents is conducted through South African life offices. Most policies are denominated in Rand, but there is an increasing proportion in Namibia Dollars. For both types of policy, the bulk of premiums paid is invested in South Africa.

As shown in table 5.4, premiums paid, less service charges by Namibian residents on life assurance

(a) Pension Fund Investments**TABLE 5.3 NAMIBIAN EMPLOYEES' MEMBERSHIP OF PENSION FUNDS AND OTHER RETIRING ALLOWANCE SCHEMES: FOREIGN TRANSACTIONS AND ASSETS (N\$ Million)**

	1989	1990	1991	1992	1993 (a)
Balance of Payments					
Current account					
Investment income received		172	135	153	270
Administration fees		-8	-11	-13	-15
Capital account					
Portfolio investment, assets, equity securities, other sectors:		-16	-402	-536	1126
Contributions paid less service		-358	-357	-469	-478
Pensions/lump sums received		249	87	86	112
Reinvested income		-172	-135	-153	-270
Transfers to retirement annuities		265	3	—	—
Investment Position - End of Year					
Portfolio investment, equity, other sectors					
- Pension funds:					
Market value of assets	1 662	1 708	2 396	3 053	4 134

— indicates nil

a) Provisional

(b) Life Assurance Investments**TABLE 5.4 NAMIBIAN LIFE ASSURANCE BUSINESS: FOREIGN AND ASSETS (N\$ Million)**

	1989	1990	1991	1992	1993 (a)
Balance of Payments					
Current account					
Investment income/bonuses		142	303	202	218
Insurance services		-30	-33	-40	-40
Capital account					
Portfolio investment, assets, equity securities, other sectors:		-499	-401	-229	-67
Premiums paid less service		-381	-429	-472	-432
Benefits/withdrawals received		289	-334	445	583
Reinvested income/bonuses		-142	-303	-202	-218
Transfers from pension funds		265	-3	—	—
Investment Position - End of Year					
Portfolio investment, equity, other sectors					
- Life assurance:					
Market value of assets	1 472	1 902	2 239	2 300	2 823

— indicates nil

a) Provisional

policies increased steadily over the 1990-1992 period, but declined by 8 per cent to N\$432 million in 1993. In contrast, benefits and withdrawals received by Namibians have increased steadily over the whole 4 year period, with a sharp 31 per cent increase in the most recent year to N\$583 million. Thus, in 1993 for the first time, benefits received were higher than contributions paid.

The market value of life assurance policies has increased from N\$1 472 million at the end of 1989 to an estimated N\$2 823 million at the end of 1993. This represents a 92 per cent increase over the period or an average compound growth rate of 18 per cent per annum.

(c) Unit Trust Investments

Subscriptions paid to unit trusts, i.e., new investments, have averaged about N\$27 million per annum over the last 4 years with an estimated increase of N\$10 million to N\$35 million in the latest year. Redemptions received, or investment withdrawals, are expected to have increased very sharply in 1993 by N\$16 million to N\$27 million.

Income on unit trust investments increased slowly over the 1990-1992 period but more than doubled in 1993 to N\$9 million. On average, 24 per cent of

income has been distributed to unit holders in Namibia, the rest being reinvested in further units.

There was a significant increase in the market value of unit trusts, particularly in the last calendar year. It increased from N\$39 million at the end of 1989 to an estimated N\$ 136 million at the end of 1993. This represents a 250 per cent increase over the period, or an average compound growth rate of 37 per cent per annum. The marked increase in the market value of unit trust assets during 1993 more than reflects the net increase in investment and therefore indicates a substantial increase in the selling price per unit.

5.7 Foreign Development Assistance

Data on foreign development assistance to Namibia are included in the transfers category of the current account, as shown in line 8 of table 19 in the statistical appendix. In addition, a more detailed breakdown on aid is given in table 25.

"Development assistance", or "aid", is the flow of foreign development assistance in any form from foreign governments, international and multilateral organisations, as well as non-governmental organisations (NGO's) to the Government of Namibia and NGO's within Namibia.

TABLE 5.5 NAMIBIAN INVESTMENTS IN UNIT TRUSTS IN SOUTH AFRICA: TRANSACTIONS AND ASSETS (N\$ Million)

	1989	1990	1991	1992	1993 (a)
Balance of Payments					
Current account					
Investment income received		3	4	4	9
Capital account					
Portfolio investment, equity:		-16	-26	-17	-15
Subscriptions paid		-18	-29	-25	-35
Redemptions received		4	6	11	27
Reinvested income		-2	-3	-3	-7
Investment Position - End of Year					
Portfolio investment					
- Unit trusts:					
Market value of assets	39	53	91	106	136

a) Provisional

Both cash and in kind grants relate to the actual disbursements of foreign development assistance to Namibia, rather than to commitments of assistance, and comprises grants or donations, not loans.

Aid is analysed below in three ways: (a) by type of donor, (b) by recipient and (c) by cash aid and aid in kind.

(a) Aid by Donor

Foreign governments provide the bulk of official development assistance, which includes aid from international/multilateral organisations. Aid from foreign governments peaked in 1992, decreasing by 17 per cent in 1993 to N\$292 million. Aid from international/multilateral organisations declined markedly by 53 per cent to N\$61 million in 1993.

Assistance from NGO's to Namibia peaked in 1991 at N\$62 million, declining to N\$40 million in 1993. NGO's share of total aid has been declining since 1990, from a quarter in that year, to 10 per cent of the total in 1993.

(b) Aid by Recipient

Foreign development assistance can be provided to two types of recipient categories; the Namibian Government and NGO's domiciled in Namibia.

The Namibian Government receives the bulk of Namibia's aid, their share of foreign development assistance grew from some 70 per cent in 1990 to over 80 per cent in 1993. Aid received by both types of recipients peaked in 1992 and declined significantly in the subsequent year.

(c) Cash Aid versus Aid in Kind

Aid takes the form of cash disbursements and in kind grants. The former method of development assistance can be actual flows of cash to Namibia through the State Revenue Fund, through non-budget support to the Government and through grants to NGO's. The latter form of aid is divided into three categories; goods, services and educational scholarships, as can be seen in appendix table 25.

The composition of aid, as dissected by cash and in kind, changed markedly over the period under review. From roughly being equal to aid in cash in 1990, aid in kind constituted about 25 per cent of total aid in 1993. This was due to the N\$65 million donation of UNTAG vehicles and equipment to the Namibian Government in 1990.

As in the above two categories of analysis, both aid disbursed in cash and aid in kind peaked in 1992 and showed a significant decline in 1993.

In summary, foreign development assistance to Namibia grew substantially through the three year period to 1992, but declined by 26 per cent in 1993.

One reason is the ending of the drought conditions in 1992, resulting in donors cutting back on aid to Namibia. A second possible reason could be that aid budgets of donors are getting smaller. Another reason could be that the attention of the international donor community is shifting towards giving aid to the former USSR countries, as well as other countries, such as South Africa.

Commitments pledged by foreign donors are generally higher than the actual disbursements in a given period. Fiscal and financial timing differences could result in development projects being implemented later than originally envisaged. Consequently, project funding of one year could roll over into the next period, which is the case in Namibia. In this regard, the tabling of the Government Budget for 1994/95 on 17 March 1994, much earlier than usual in Namibia's fiscal year, is a positive step.

5.8 Foreign Direct Investment: Transactions and Assets

Since 1990, total direct investment in Namibia has increased steadily, registering an average compound growth rate of 9.2 per cent per annum for the period. Total liabilities to direct investors at market values are provisionally estimated to grow by 9 per cent in 1993 to N\$7.1 billion. The concept of market values is used in order to be able to aggregate balance of payments transactions on a consistent and comparable international basis.

(a) Equity Capital

This category makes up more than three-quarters of total direct investment, and has shown an upward trend over the period. This has been largely due to the revaluation of shares to approximate true market values, rather than actual injection of additional new direct investment capital.

The biggest increase in equity capital during 1993 is expected to be in mining, followed by the financial sector and the fishing and agriculture sector.

(b) Reinvested Earnings

Except for 1990, when a small number of mining enterprises maintained their dividends in the face of falling profits, accumulated retained earnings have been increasing. Since 1991, accumulated retained earnings have increased by 60 per cent to N\$1 061 million in 1993, or at a compound growth rate of 17 per cent per annum.

(c) Other Investment

This sub-total consists of amounts borrowed from foreign direct investors less amounts lent to foreign direct investors, i.e., net borrowing. After much larger borrowing than lending in 1990 and 1991, borrowing from foreign direct investors fell significantly in 1992 and 1993, although there was still a net borrowing flow.

The bulk of total foreign direct investment in Namibia is in the mining industry. Since 1990 it has shown progressive growth, increasing by N\$410 million or 9 per cent during 1993. Although constituting only 3 per cent of total foreign direct investment, the value of direct holdings of property by South African life offices grew by 17 per cent in 1992, and by a further 16 per cent in 1993.

The amount of direct investment at book value is much lower than at market value. The explanation for the difference lies in the fact that book value reflects direct investment at historical costs whereas market value reflects current values. Since not all direct investment enterprises are listed on a stock exchange, data on their market value is not readily available - value judgement is often used to estimate market value.

From table 5.6 it is evident that, for the period end 1989 to end 1993, the market value of foreign direct investment in Namibia has been some three times higher than the concomitant book value.

The return on direct investment at market value increased from 3.5 per cent in 1990 to 6.5 per cent in 1993. The return on book value was much higher during the period, rising to 18.6 per cent in 1993.

5.9 Government Foreign Debt

As the public foreign debt position of Namibia is reflected in various transactions and levels of liabilities and therefore in a variety of items in the balance of payments, it is best to group all these together in one table, for analytical and other purposes.

This is done in table 5.7 where the outstanding foreign debt and related transactions of the Government and the monetary authorities of Namibia is shown for the period end 1990 to end 1993.

Prior to 1992, Namibia's foreign debt represented pre-independence borrowing, capitalised interest and that share of the 1991 issue of Treasury Bills taken up by non-residents.

In 1992, more Treasury Bills and a large proportion of the issues of new Government Stock, or Internal Registered Stock (IRS), were acquired by non-residents. Small amounts of interest were actually paid on new issues of Treasury Bills and on non-guaranteed stock. The bulk of the debt was, however, rescheduled and the progressive transfer of the foreign liability and related capitalised interest payments from the Government to the monetary authorities started.

Provisional data indicate that the outstanding external public debt of Namibia increased by 29 per cent to N\$1 315 million in 1993, representing 16 per cent of GDP, which is small by African standards. Total interest paid, including capitalised interest represents a relatively small burden on Namibia's balance of payments - less than 2 per cent of total merchandise exports in 1993.

Almost all the Government's foreign debts are denominated in rand. With the Namibia Dollar

**TABLE 5.6 FOREIGN DIRECT INVESTMENT IN ENTERPRISES IN NAMIBIA:
SELECTED TRANSACTIONS AND LIABILITIES (N\$ million)**

	1990	1991	1992	1993 (a)
BALANCE OF PAYMENTS				
<u>Current account</u>				
Income paid on direct investment:	-181	-197	-346	-437
Dividends	-280	-126	-182	-267
Retained earnings	106	-66	-162	-170
Interest	-7	-5	-5	-
<u>Capital account</u>				
Direct investment in Namibia:	84	328	228	225
Equity Capital	94	77	31	44
Reinvested earnings	-106	66	162	170
Other capital (net borrowing)	96	185	35	11
INVESTMENT POSITION				
End of Year				
Direct investment in Namibia, market value				
of liabilities to foreign direct investors:	5 261	5 782	6 479	7 050
Equity	4 204	4 489	4 983	5 373
Reinvested earnings	663	728	891	1 061
Net debt due to direct investors	394	565	605	616
Direct investment in Namibia, book				
value of liabilities to foreign direct				
investors (reinvested earnings)	1 709	2 008	2 245	2 457
Direct investment in Namibia, market				
value of total liabilities, by industry				
sector or category:	5 261	5 782	6 479	7 050
Banks	212	244	264	337 (b)
Direct holdings of property in Namibia				
by SA life offices	137	169	198	229
Mining	3 752	4 088	4 724	5 134
All other	1 160	1 281	1 293	1 350
<u>Return on direct investment</u>				
Income paid on direct investment as a				
proportion of market value of direct				
investment liability (average of levels at				
beginning and end of year)	3.5%	3.6%	5.6%	6.5%
Income paid on direct investment as a				
proportion of book value of direct				
investment liability (average of levels at				
beginning and end of year)	10.9%	10.6%	16.3%	18.6%

(a) Provisional

(b) Short term liabilities of banks to their foreign direct investors are included in Other capital, not in Direct investment

linked to the South African rand at par, there is no currency risk attached to most of the Government foreign debt.

5.10 The 1994 BOP Outlook

The tentative outlook for Namibia's 1994 BOP suggests a continued strong performance on the

current account, where the balance on merchandise trade is expected to improve further. The relatively strong current account performance over a smaller capital account deficit, coupled with the effects of our new currency, will result in an even larger increase in reserve assets, to a projected level that will cover about 12 weeks of imports.

TABLE 5.7 FOREIGN DEBT OF GENERAL GOVERNMENT AND BANK OF NAMIBIA: TRANSACTIONS AND LIABILITIES (N\$ million)

	1989	1990	1991	1992	1993 (a)
BALANCE OF PAYMENTS					
<u>Current account</u>					
Portfolio Investment - interest paid (including Namibia's behalf and capitalised)					
Government Rand stock, Treasury Bills, Registered Stock and facility with SA Reserve		-45	-94	-12	-23
Bank of Namibia facility with SA Reserve		-	-	-51	-49
Other investment - interest paid or capitalised					
Government Rand and non-Rand loans		-20	-4	-2	-
Bank of Namibia capitalised interest		-	-	-2	-9
<u>Capital account</u>					
Portfolio investment Government, long term net changes in liabilities		40	-32	1	147
Portfolio investment, Government, short term net changes in liabilities		-	2	25	-13
Other capital, Government, long term net changes in liabilities		99	110	10	60
Other capital, Monetary Authorities, long term net changes in liabilities		-	-	80	101
INVESTMENT POSITION					
End of Year					
Total foreign debt outstanding at 31 December at exchange rates on the dates shown:	673	817	905	1 020	1 315
Portfolio investment, Government, long term	457	497	464	465	612
Portfolio investment, Government, short term	-	-	2	27	14
Other capital, Government, long term:					
Rand loans issued in South Africa	47	40	33	26	75
Government facility with SA Reserve Bank	-	187	356	-	-
Foreign loans other than in Rand	169	93	49	-	11
Other capital, Monetary Authorities, long term:					
Bank of Namibia facility with SA Reserve	-	-	-	502	603

- Indicates nil or less than N\$500 000

(a) Provisional

PART B

REPORT ON OPERATIONS AND AFFAIRS OF THE BANK OF NAMIBIA

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1. GENERAL

1.1 The Board of Directors

During the 1993/94 financial year the Board consisted of six members in accordance with the Bank of Namibia Act. The Board met frequently to deliberate on the Bank's affairs.

Mr E.L. Karlsson functioned as Governor until the end of 1993. He was succeeded by Dr J. Ahmad who was appointed Governor with effect from 1 January 1994.

Mr T.K. Alweendo was appointed Deputy Governor as from 1 January 1993 and is still serving as such. Mrs B. Gawanas-Minney and Messrs T. Botes, P. Damaseb and P. Hartmann have all served as Directors of the Board the full year.

1.2 Organisation and Staff

The organisation structure of the Bank is presented in the chart on the following page. As at the end of January 1994, the Bank had a total staff complement of 139 plus a total of six foreign advisors and volunteers.

The Board wishes to place on record its appreciation and gratitude to Messrs C. Moolman and L. Tjieve who retired during the year, having rendered loyal and dedicated service to the Bank.

The Board would also like to extend its deepest condolences to the families of the employees who passed away during the year. They were Messrs F. Bam, C. Bongo and A. Sowden.

2. DEPARTMENTAL REPORTS

2.1 Operations Department

The Operations Department finally came of age on 15 September 1993 with the introduction of the national currency, the Namibia Dollar. A detailed account of the currency introduction is contained in Part C of this Report. Suffice it to say that the Department was at the forefront of ensuring a smooth transition from the South African Rand to the Namibia Dollar. The opportunity is taken to pay

tribute to all concerned, inside and outside the Bank for their assistance and cooperation.

The Namibia Dollar was enthusiastically received by the Namibian public. By the end of September 1993 N\$129 million were already in circulation. This volume had increased to N\$195 million at the end of 1993 and was N\$188 million at the end of January 1994; January being a month with low demand for currency.

In the period under review, there was a decrease of 23% in the volume of government cheques cashed at the Bank. This decline can be attributed principally to the government employees being encouraged to open bank accounts with the clearing banks rather than encash their salary cheques at the Bank. In value the total clearing house turnover increased by 18% to N\$14,2 billion.

The introduction of the national currency enables the Bank to fulfil its statutory obligation to establish and maintain an international reserve. At the end of the financial year the Bank had invested an amount of N\$143 million in freely convertible foreign currency and N\$456 million in Rand. The Department continued to act as agent for the Government for the issue of Treasury Bills and Internal Registered Stock. A breakdown of the total face value of government securities issued from 1 February 1993 to 31 January 1994, compared with the 1992/1993 financial year and details of the outstanding amounts as at 31 January 1994, are detailed in the following table:

Issued Internal Registered Stocks and Treasury Bills
N\$ million

	Feb '92 - Jan '93	Feb '93 - Jan '94	Outstand- ing 31/1/94
Internal Registered Stock	100	319	419
91 day Treasury Bills	185	525	150
182 day Treasury Bills	85	200	115
Total:	370	1,044	684

The introduction of the national currency gave the Department new functions. To make it possible to manage the domestic and foreign operations, additional staff have been recruited and are currently being trained.

2.2 Human Resources and Administration Department

During the year under review, staff training continued to be a priority for the Bank. Greater emphasis was placed on providing what can be broadly described as Technical training and Management training.

The need for Technical training is self-evident. The introduction of the national currency enabled the Bank to perform all the functions normally carried out by a fully-fledged central bank. It follows therefore, that there has been a continuing need to develop a local capacity to meet the challenges the Bank will inevitably face. In this regard, appropriate staff undertook training assignments with the international financial institutions, regional organisations and central banks in the sub-region and further afield. In addition, in-house courses in Macro-Economics and Accounting at basic and advanced levels were conducted. Management training received a higher profile as many senior personnel had received little or no formal training in this essential skill.

The Bank, again, has been fortunate to receive financial support for its training activities from the Swedish International Development Authority.

The Department has also concentrated its efforts on consolidating and refining various personnel and administrative procedures. In this respect a new job evaluation system has been implemented and the job performance evaluation system has been improved to serve the Bank as an effective management tool.

2.3 Research Department

The Department undertook three major projects in the last three years. These were the collection and compilation of Balance of Payment statistics, Money and Banking statistics and Real Sector statistics. In the initial stages, efforts were directed towards laying the infrastructure for collection and compilation of statistical data. Two Advisors under the joint UNDP/IMF technical assistance project, were attached to the Department to assist in this effort. Also two UN volunteers made a significant contribution towards this effort.

During the year under review, the Department published a comprehensive Balance of Payment Report covering the period 1990 to 1992, and three Quarterly Bulletins. Money and Banking statistics are published on a monthly and quarterly basis.

The Department constantly seeks methods of improving the timeliness and accuracy of data. To this end, effort is currently underway to enable eventual release of Balance of Payment statistics on a regular basis in the Quarterly Bulletin. Initially, information on trade and services will be published in the Quarterly Bulletin, but progressively more items will be added. In addition, the existing questions in the annual surveys have been extended with the aim of collecting data on broad categories of traded goods and on trading partners.

At a policy initiative level, the Department played a crucial role in drafting background papers in preparation for the introduction of the national currency.

2.4 Exchange Control Department

During the period under review the Exchange Control Department continued with its objective of consistent application of exchange control rules and policies with the rest of the Common Monetary Area (CMA) members.

The number of foreign exchange applications received increased by 15 per cent. This increase is largely attributable to the expanding fishing industry, which has grown continuously since the restoration of the 200 nautical mile Exclusive Zone. It is expected that with the re-integration of Walvis Bay the volume of foreign exchange applications will increase further.

In order to ensure that the authorised dealers are properly recording foreign exchange transactions and that they are fully aware of their exchange control responsibilities, the Exchange Control Department established an inspection section. On-site inspections at selected branches of the authorised dealers have been conducted. The standard of exchange control administration at most of the branches where inspections were carried out.

2.5 Supervision Department

The Supervision Department is responsible for the supervision of the activities of banks and building societies. A detailed description of the activities performed by the Department during the period under review is given in the Statutory Report of the Registrar of Banks and Building Societies in Part D herein.

2.6 Information Systems Department

The Department has a continuing commitment to provide the Bank with efficient and cost effective information technology services. By taking advantage of the advancements in information technology, key benefits are realised for the Bank. This ultimately contributes to increasing operational efficiency, the quality of information reporting and management information in order to improve decision-making.

Technical and financial assistance from the Swedish International Development Authority for implementing an information systems strategy in the Bank ended in June 1993, but the infrastructure has been well established for the Department to continue with the provision and maintenance of information technology services to meet the growing needs in the Bank.

Since the inception of the Bank numerous information systems projects have been successfully completed. During the year of reporting, a computerised recording and retrieval system for the Exchange Control Department was implemented and the corporate network system commissioned. Integration of the local area network systems in the four office buildings occupied by the Bank now provides the Bank with more reliable and secure systems. The development of enhanced computerised Purchase Ordering and Accounts Payable Systems was achieved and the Balance of Payments System refined. Computer hardware, software and network equipment were upgraded to increased data storage, communications and processing capacity.

Development of a computerised Fixed Assets Register will be undertaken during the forthcoming

year which will improve the management and control of the Bank's assets. To be able to exercise greater cost control over office stationery items, it is also intended to develop a computerised Stationery Stock System.

2.7 Internal Audit Department

The Department provides a service to the Governor and upon request to other departments in the Bank. Since its inception during 1991, its main tasks focused on the adequacy and effectiveness of the Bank's internal control arrangements and the evaluation of the Bank's compliance with the law and its own internal policies and operational instructions. The operating and service departments within the Bank are the areas in which most of the audit assignments are undertaken. These audit assignments form part of the overall audit programme approved by the Governor. The Department also carries out internal investigations and special reviews deemed necessary by the Governor and works in close liaison with the Bank's External Auditors. The staff complement of the Department remained at four despite the growth in activity within the Bank over the last year.

PART C

THE INTRODUCTION OF THE NATIONAL CURRENCY IN NAMIBIA

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1. INTRODUCTION

Issuing the national currency on 15 September 1993, was a milestone in the development of the Bank of Namibia and the country. The Bank of Namibia then became a fully-fledged central bank, and the foundation was created for Namibia to become monetarily independent. The preparatory work for this historic event is described below.

2. THE TECHNICAL COMMITTEE ON THE NATIONAL CURRENCY

Preparatory work for the introduction of a national currency, later to be named the "Namibia Dollar", commenced a few months after Independence. Most of this work was undertaken by the Technical Committee on the National Currency, formed in September 1990, consisting of representatives of the Ministry of Finance and the Bank of Namibia.

Dr J Jones was the Chairman of the Committee and Mr P Hartmann its secretary, both from the Ministry of Finance. Other members in the Technical Committee were Mr DD Rush, Ministry of Finance; Mr EL Karlsson and Mr E Lule from the Bank of Namibia.

Dr J Jones was the key official for contacts between the Ministry of Finance and the Cabinet and the leading person in drafting submissions to the Cabinet. According to the Bank of Namibia Act, the President had to decide upon the monetary unit and its symbols, and the approval of the Minister of Finance was required for the denominations, composition, form and design of the national currency. One of the prime tasks of the Technical Committee was to devise proposals in this regard.

The Technical Committee had to produce specifications for notes and coins, and to organise the tendering procedure. When the tendering was concluded and the Cabinet had selected the winners of the designs and decided upon the printer and minter, the Committee had to follow up the Cabinet's decision.

As prescribed in the Bank of Namibia Act, the Bank should issue the national currency and arrange for

the printing of notes and the minting of coins. As a consequence of this provision, the Technical Committee took the decision that the Bank of Namibia should be responsible for all correspondence and meetings with the printers and minters.

The Technical Committee was in operation for more than three years. Numerous documents were produced during this time to prepare for the introduction of the national currency in Namibia as discussed below.

3. SPECIFICATIONS AND TENDERING

The Technical Committee's main task during the initial period was to work out specifications for the currency notes and the coinage. During that period, constant communication with the international printing and minting firms was necessary. On the specification matter, reports had to be given to the Cabinet Committee, established in January 1991.

On 7 October 1991 seventeen printing firms were invited to submit designs and quotations for currency notes, to the Bank of Namibia not later than by the end of April 1992. On 29 November 1991, seventeen minting firms (not all the same as the printing ones) were requested to provide coinage designs not later than by the end of March 1992. Requests for quotations for the coins was left for a later stage.

The currency notes soon became the prime task. Professional local artists checked and evaluated the received designs whereafter in May 1992, all the designs were presented to the Cabinet.

On the basis of quality, appearance and quoted price, the Cabinet decided to award the tender contract to AB Tumba Bruk, Sweden. In September 1992 the Bank signed the contract with that company.

According to the contract, one third of the currency notes should be delivered to the Bank not later than August 1993, the residual amounts consequently at a later stage, decided upon by the Bank.

Designs received for coins were not accepted by the Cabinet. Therefore, in June 1992, the Cabinet decided to announce a competition for coin designs.

The competition was launched in the same month with the closing date being 28 August 1992. More than 140 sets of designs were received.

After scrutiny by the professional artists and also technical experts, the Cabinet decided to award the prize for the designs of N\$1 and N\$5 to Mr Bernard Sargent, Metal Image, South Africa, and the designs for 5c, 10c and 50c to the Mint of Finland.

Quotations for the coin minting had to be received by the Bank of Namibia not later than 9 October 1992. In early December 1992 the Cabinet awarded the tender contract for the minting of the total series of the Namibian coinage to the Mint of Finland.

The contract between the Bank of Namibia and the Mint of Finland was signed in January 1993. The delivery was to be made in three consignments, the first one in late 1993.

4. THE AWARENESS CAMPAIGN

In order to inform and educate the Namibian people about the implications and practical details of the national currency, it was necessary to institute an awareness campaign. A Bank National Currency Committee was set up with the Deputy Governor as Chairman and the Public Relations Officer as Vice-Chairman in order, amongst other things, to oversee the campaign. The Committee held its first meeting on 4 February 1993, whereafter meetings were held on a regular basis until the notes were issued.

Preliminary research involved holding focus group meetings with various target audiences, the results of which were evaluated in order for the Bank to address certain issues through the eventual awareness campaign. Cooperation therefore was forthcoming at an early stage from, amongst others, the commercial banks, Namibian police, major retail outlets, the Post Office, Telecom, insurance companies, associations, foundations and local authorities.

A mass communication strategy was formulated with the assistance of a local advertising agency to launch, effectively and professionally, the new Namibia

Dollar banknotes to ensure that the whole population of Namibia would accept the new currency with pride.

At the ordinary meetings with the commercial banks information was given about the introduction of the national currency. The banks were requested to present to the Bank all possible questions that could be raised in connection with the introduction of the currency. Cooperation between the top management of the Bank and the commercial banks via a technical committee was very fruitful, especially when it came to clarifying and making public the payment techniques to be used for money transactions between Namibia and South Africa.

A couple of special meetings were also held with commercial banks to which representatives of the business community were invited. One meeting was held in Windhoek in cooperation with Standard Bank and the other in Swakopmund in cooperation with the Commercial Bank of Namibia.

An awareness campaign commenced on 28 June 1993 with television and radio teaser commercials to provoke initial interest in the general theme "There's a new sun rising over Namibia". It continued thereafter on a broader scale and included direct mail, printed media and electronic media, where a businessman's brochure was sent out, radio commercials translated in nine vernaculars and television commercials. Three different newspaper inserts appeared in the local newspapers, the first on 10 July 1993. Posters were distributed, depicting all the design and security features of the banknotes. All schools, municipalities, police stations, commercial banks, building societies, retailers etc, received these posters. A Press Conference was held during which the models and designs of the notes and coins were presented and answers given to the question "Why have a National Currency?" All commercial banks, building societies, municipalities, post offices and major retailers were supplied with point of sale material such as stands, leaflets, stocks and promotional badges. A documentary on the Bank of Namibia was produced and screened on local television a few times.

The awareness campaign was successively intensified

and broadened. A comprehensive rural road information programme was launched, where teams from the Bank of Namibia, in local languages, informed and educated the Namibians in the rural parts of the country. During August 1993, workshops were held in fourteen regions and all the educational and promotional material was handed out. Furthermore, under the auspices of the Training Coordinator, staff training sessions were undertaken to inform and educate the staff about the requirements and implications for them and the Bank, of the introduction of the national currency.

5. THE ARRIVAL AND DISTRIBUTION OF THE NAMIBIA DOLLAR NOTES

As mentioned, the first delivery of the Namibian bank notes had to be not later than August 1993.

On Monday 30 August 1993, the first consignment arrived at the Windhoek International Airport, whereupon under police escort, the bank notes were transported to the Bank of Namibia, unloaded, unpacked and stored in the vaults of the Bank.

During the following days, smaller consignments of bank notes were delivered from the Bank of Namibia to the commercial banks in Windhoek. From these banks, sufficient amounts of bank notes were distributed to the various commercial bank branches throughout the countryside, in anticipation of the official launching date.

6. THE OFFICIAL LAUNCHING OF THE NAMIBIA DOLLAR

On 14 September 1993 the Namibia Dollar was officially launched by the President. A ceremony was arranged by the Bank at the Garden Restaurant outside the Parliament Building.

The ceremony commenced with the signing of a new Bilateral Monetary Agreement. The Agreement was signed jointly by the Minister of Finance of Namibia and the Minister of Finance South Africa. The new agreement contained all the rights for the Bank of Namibia as a central bank. Among other things it gave the Bank of Namibia full freedom to invest in foreign currency; to choose currency to "back" the

Namibia Dollar; and to use a national currency in the country as well as Rand.

At the ceremony, speeches were made by the President of Namibia, Minister of Finance of South Africa, the Governor and the Minister of Finance of Namibia. The President concluded his speech by declaring the Namibia Dollar as legal tender in Namibia as from 15 September 1993.

Whilst the Namibia Dollar is legal tender in Namibia, the South African Rand will also continue to be used as legal tender in Namibia for some time. The Namibia Dollar and the South African Rand are at par with each other with a value of one to one in Namibia.

A proclamation on the determination of the monetary units and symbols of the currency of Namibia as well as a general notice on the characteristics of notes and coins to be issued by the Bank were gazetted. Specimen notes were sent to foreign central banks. All the arrangements with the International Monetary Fund, necessary for a country introducing its own currency were completed. The foundation for these arrangements was laid during the Governor's visit to the Annual Meeting of the Fund in late September 1993.

7. THE ISSUING OF THE NAMIBIAN COINS

The first consignment of Namibian coins arrived at Walvis Bay by ship on Saturday 13 November 1993, and from there, under police escort, delivered by road transport to the Bank's premises. The coins were successively distributed to the commercial banks.

The issuing of the coins on 8 December 1993, was preceded by a small awareness campaign consisting of information on posters, distributed to many places, a press release and inserts placed in local newspapers. The awareness campaign for coins could be limited since the earlier awareness campaign for the national currency had partly included the coins.

Before the Namibian coins can be fully utilised, coin-operated machines (parking meters, public telephones, etc), now accepting Rand coins only, must be converted to accept Namibian coins. These

adjustments are expected to be completed within a short period of time.

8. SUCCESSFUL RESULTS

For all practical purposes, coins are just as important as notes. However, by issuing the notes, the Bank of Namibia had already changed from an ordinary intermediary to an institution able to create money and to fulfil all the other key central bank functions. Through the issuing of the Namibia Dollar the Bank of Namibia became a fully-fledged central bank, able to build up a foreign exchange reserve and to serve the country in full.

The Namibia Dollar has been well received both by the business community and the Namibian people alike. It may be mentioned that people lined up in front of automatic teller machines before midnight

on the day of issue in order to be among the first to receive the Namibia Dollar.

Three months after the introduction of the Namibia Dollar, about N\$ 200 million had been issued. This amount constitutes roughly half of the estimated total amount of notes in circulation in the country.

In connection with the issuing of the Namibia Dollar, the Bank of Namibia receives South African Rand in return, no longer held by the business community or the general public. These Rand are repatriated to the South African Reserve Bank, and the Bank of Namibia's account at that bank is credited for the Rand received. The foreign assets that are built up in this manner, constitute one part of Namibia's foreign exchange reserve and can be freely used by the Bank, even for investments in selected currencies.

PART D

ANNUAL REPORT OF THE OFFICE OF THE REGISTRAR OF BANKS AND BUILDING SOCIETIES

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1. INTRODUCTION

In terms of section 47 of the Banks Act, 1965 (Act No 23 of 1965) and section 77 of the Building Societies Act, 1986 (Act No 2 of 1986), the Registrar of Banks and Building Societies submits this report for the period 1 January 1993 through March 1994.

The designation of an officer as Registrar is required by the Banks Act and Building Societies Act for the purpose of administering those two Acts. Within the organisational structure of the Bank of Namibia, the Registrar is the Director of the Supervision Department.

2. OBJECTIVES OF THE REGISTRAR'S OFFICE

International lenders, donors and investors look at the strength of a nation's banking system as a part of their analysis when considering the prospects of success of various projects. An important factor of a sound banking system is a strong supervision function. Against this background it is important that the Bank of Namibia has a supervisory function that will foster confidence in the banking system and promote banking activities consistent with the needs of the country.

The ultimate objectives of the Supervision Department are to ensure stability and soundness in the banking sector, to ensure the orderly development of the sector so that the national and international confidence in the banking sector is maintained and to look after the interest of the depositors.

In order to achieve these objectives, the following functions must be accomplished:

- development of the legal and regulatory framework for prudential control.
- development of a system for "off-site" supervision in the form of statutory returns and analysis.
- development of a system for "on-site" supervision, to verify information received through returns and reports and to evaluate management systems and internal controls.

- the training and development of the Department's human resources.
- development of relations with supervisory authorities of other countries in recognition of banking being an international business.

Once the above functions have been sufficiently accomplished, the developmental phase of the Department would be complete. It must be realised, however, that the functions would continue to be enhanced/refined to keep pace with change, and would form part of any objectives for the foreseeable future.

The intent of these efforts is to measure and anticipate risk in order to meet the Department's responsibility to protect the interests of the depositors.

However, it should be stressed that no supervisory function can be a guarantee against failures. The main responsibility is with the directors and managing directors in conjunction with the internal and external auditors of each financial institution to ensure that an institution adopts such policies and measures so that it can control the various risks involved.

The function of any supervision department is to oversee the management of risks by those responsible and to ensure that the policies and measures taken are adequate and followed by the institution.

3. LEGAL MATTERS

During the period under review, the Banks Act of 1965 and the Building Societies Act of 1986, as amended, were still the statutes governing banking and building societies activities and other related matters respectively.

However, the Draft Banking Institutions Bill, approved by the Board of the Bank of Namibia, has been submitted to the Minister of Finance for his consideration and comments in November 1993. The Bill contains internationally accepted practices and prudential standards. It is anticipated that it will be enacted during the second half of 1994.

The Cabinet has approved the proposed Draft Building Societies Amendment Bill, which would enable building societies to merge or transfer their assets and liabilities to banks. The draft has been forwarded to the Legal Draftsman for further perusal, after which it will be presented to Parliament for enactment.

Moreover, the proposal to amend the Bank of Namibia Act of 1990 would transfer the liquid assets and reserves requirements provisions in the Banks Act (prudential requirements) to the Bank of Namibia Act (monetary tools).

Following the reintegration of Walvis Bay into Namibia, the commercial banks in Namibia are planning to take over the branches operating in the enclave from their respective South African bank affiliates. The Office of the Registrar of Banks and Building Societies has been coordinating the take-overs with its counter part in South Africa.

In March 1994, the Board of the Bank of Namibia approved the application of "City Savings and Investment Bank" and "City Bank Holding Company" to be registered, provisionally as a bank, and as a bank controlling company, respectively, subject to conditions and specific procedures. During the period under review this Office received a number of inquiries regarding the establishment of a banking institution, but no other formal applications were submitted.

In October 1993, The Commercial Bank of Namibia Ltd and Namibian Banking Corporation Ltd merged, in accordance with section 30 of the Banks Act 1965, to form Commercial Bank of Namibia Limited. Namibian Banking Corporation Limited registered as a bank controlling company, in respect of the merged bank, in terms of section 12A of the Act.

This Office, in consultation with the Registrar of Co-operatives and the Namibia Credit Union League, was involved in the establishment of the legal framework for the registration and supervision of credit unions. With enactment of the Co-operatives Act in 1993, credit unions are to be registered and supervised in terms thereof.

4. DOCUMENT-BASED SUPERVISION

In order to ensure compliance with the legal and financial requirements as set out in the Banks Act 1965 and Building Societies Act, 1986, together with the regulations thereof, institutions are required to submit various returns and reports, on a regular basis, to this Department for analysis and compilation. The Board of the Bank of Namibia has been updated on the conditions and trends in the banking industry and building societies through a supervisory quarterly report.

The Department monitors, on a monthly basis, compliance with the minimum reserve balance and minimum liquid assets to be held by each banking institution and also the minimum liquid assets to be held by each building society.

5. VERIFICATION AND ON-SITE SUPERVISION

During the year under review, an on-site Examination Manual has been drafted. This is now under review with the view to take provisions in the "Draft Banking Institution Bill" into account once this has been enacted by Parliament.

In addition, a strategy that is aiming at ensuring the effectiveness of on-site examination, has also been devised. This embraces a top down approach that places emphasis on the direction and policies formulated by the Board of Directors and executive management as well as the management systems and internal controls that are implemented. Furthermore, methodologies on on-site examination have been drafted.

The first on-site inspection for a new applicant "bank", was conducted in February 1994. The scope of the inspection covered main features of the management and internal control systems.

6. INTERNATIONAL COOPERATION

With the encouragement from the Bank of International Settlements (BIS) based Basle Committee on Bank Supervision, regional groupings of bank supervisors have emerged worldwide over a

period of time. The Committee organises the International Conference of Bank Supervisors (ICBS) every two years at which the Bank of Namibia was represented by the Registrar of Banks and Building Societies in October 1992. In order to keep pace with this development, bank supervisors from East and Southern Africa met in Botswana in July 1993 to formalise the creation of a regional sub-grouping of bank supervisors. The result of that meeting was the formal inauguration of the Eastern and Southern Africa Bank Supervisors (ESAF) whose objective is to create a forum for the exchange of experiences and information as well as offering training for bank supervisors in the group. At the inaugural meeting of the establishment of ESAF, a committee was chosen to evaluate the training needs of the Group. The committee devised a comprehensive bank supervision course whose relevance and applicability to the Group as a whole was further evaluated and accepted, with minor changes, by the Group members at a conference held in Arusha, Tanzania in March 1994. During the conference on course evaluation, the Bank of Namibia was nominated to assume the secretariat function of the Group. The first Group training course will be held in September 1994 at the South African Reserve Bank.

The training of bank supervisors at the Bank of Namibia is partly in the ambit of international cooperation with other supervisory authorities as evidenced by the attachments of our staff concluded with the Bank of England, South African Reserve Bank, the Federal Reserve System of the USA and State Bank of Pakistan. Furthermore, attachment offers have been received from the Bank of Botswana, and the Reserve Bank of Zimbabwe under the auspices of the Southern Africa Development Community (SADC).

As a part of international cooperation, the Department has had the opportunity of receiving some funding from the International Monetary Fund, UN Development Programme and the Swedish International Development Agency, for expatriate staffing and the training of local staff.

7. THE INSTITUTIONS

Structure

The Namibian Banking Corporation merged with The Commercial Bank of Namibia which reduced the number of banks from five to four effective from 1 October 1993.

The banking sector consists of the following four banks with the possible addition of City Savings and Investment Bank, whose application is under review:

- Bank Windhoek Ltd
- Commercial Bank of Namibia Ltd
- First National Bank of Namibia Ltd
- Standard Bank Namibia Ltd

The building societies remained unchanged during 1993 and consist of the following:

- Namib Building Society
- South West Africa Building Society

Performance and condition in the banking industry

The total assets for the commercial banking system amount to N\$3.5 billion as at 31 December 1993, an increase of 21 per cent on a yearly basis. This growth is mainly attributable to a 22.4 per cent increase in loans and advances which represent 80.0 per cent of the total assets and are the major earning assets in the commercial banking industry.

Liquid assets have risen by 25.8 per cent on an annual basis and represent 13.0 per cent of the total assets. Treasury bills and short term government stock constituted 57.7 per cent of the total liquid assets compared to 23.8 per cent at the end of December 1992. This clearly demonstrates that the commercial banks have modified their investment mode in liquid assets by investing more in local securities than in South African discount houses, enhancing trade in our own money market instruments. Moreover, this indicates confidence and trust in the Government and running of our economic activities.

Deposits are the major source of funding in the commercial banking sector and amount to N\$2.9

billion, up from N\$2.5 billion a year ago, and represent an increase of 16.0 per cent. The maturity structure of the deposits are constituted as follows: Short term deposits represent 56.4 per cent (53.9% : 1992); medium term deposits represent 32.6 per cent (39.5% : 1992); long term deposits represent 9.5 per cent (4.9% : 1992); and foreign deposits made up 1.5 per cent (1.7% : 1992). Furthermore, the total deposits represent 84.5 per cent of the total liabilities including capital and reserves, compared to 86.8 per cent a year ago.

The total loans and advances grew by 22.4 per cent during the year to N\$2.8 billion from N\$2.3 billion. The lending ratio increased from 89.4 per cent 1992 to 93.1 per cent at the end of December 1993. This indicates that the growth in advances outpaced the growth in funding sources.

The capital and reserves grew by 24.0 per cent and represent 7.5 per cent (6.9% : 1992) of the total assets, emphasising the cardinal importance of well capitalization of commercial banks against any adverse shock or upsets in the financial market.

Performance and condition regarding the building societies

The two building societies whose main business is to grant mortgage loans, were profitable, although the earnings margin was squeezed due to the rising

funding cost and stable income from earning assets with declining interest rate. The building societies are still subject to the liquidity mismatch due to the structure of their balance sheet, with major assets in long term while the major funding sources (liabilities) are in short and medium term.

The total assets of the building societies were reported as N\$885.1 million, representing an increase of 36.5 per cent over the year. This indicates that the building societies are operating in a growing and dynamic market. However, there is a fierce competition from the commercial banks in this lucrative market, which put the building societies in a disadvantaged position due to the limited banking activities accorded to societies by law.

The mortgage advances grew by 31.4 per cent and stood at N\$714.4 million and represent 80.7 per cent (83.9% : 1992) of the total assets in the system. Moreover, liquid assets have increased by 43.3 per cent and represent 12.2 per cent of the total assets, compared to 11.7 per cent at the end of December 1992.

PART E

ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 1994

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE BANK OF NAMIBIA

We have audited the annual financial statements set out on pages 40 to 43. These financial statements are the responsibility of the Bank's directors. Our responsibility is to report on these financial statements.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance that in all material respects, fair presentation is achieved in the financial statements. An audit includes an evaluation of the appropriateness of the accounting policies, an examination, on a test basis, of evidence supporting the amounts and disclosures included in the financial statements, an assessment of the reasonableness of significant estimates and a consideration of the appropriateness of the overall financial statement presentation. We consider that our audit procedures were appropriate in the circumstances to express our opinion presented below.

In our opinion these annual financial statements fairly present the financial position of the Bank at 31 January 1994, and the results of its operations for the year then ended in conformity with applicable generally accepted accounting practice.

We also report that, in our opinion, the affairs of the Bank have been conducted in accordance with the provisions of the Bank of Namibia Act, 1990, so far as they affect the balance sheet and appropriation account.

*Deloitte & Touche
Price Waterhouse Meyernel
Chartered Accountants
WINDHOEK*

28 February 1994

BANK OF NAMIBIA

APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31 January 1994

	1994 N\$	1993 N\$
Net profit from operations after meeting all current expenditure and making provisions as required by Section 6 of the Bank of Namibia Act, 1990.	4 059 893	2 448 738
Less: Transfer to General Reserve under Section 7(1) of the Bank of Namibia Act, 1990.	<u>1 014 973</u>	<u>244 874</u>
Net profit after Transfer to General Reserve	3 044 920	2 203 864
Less: Transfer under Section 7(2) of the Act to Building Reserve	<u>-</u>	<u>2 203 864</u>
Net profit due to Government under Section 7(3) of the Act.	3 044 920	-
Less: Paid to Government under Section 7(3) of the Act.	<u>3 044 920</u>	<u>-</u>
	<u>-</u>	<u>-</u>

BANK OF NAMIBIA

BALANCE SHEET At 31 January 1994

	NOTES	1994 N\$	1993 N\$
<u>CAPITAL EMPLOYED</u>			
Capital	2	30 000 000	30 000 000
General Reserve	3	14 495 513	703 370
Revaluation Reserve	4	1 387 072	201 796
Special Reserve	5	2 535 000	7 167 646
Building Reserve	6	2 203 864	2 203 864
Currency in Circulation		187 602 898	—
Deposits:			
Government		385 014 472	222 335 378
Domestic Bankers - Current		1 770	1 366 368
- Reserve		24 792 000	15 510 000
Other		1 327 000	1 673 549
Long-Term Loan Facility		603 061 173	502 048 204
Other Liabilities		9 569 624	7 735 238
		<u>1 261 990 386</u>	<u>790 945 413</u>
<u>EMPLOYMENT OF CAPITAL</u>			
Rand Cash		10 693 920	71 655
IMF: - Special Drawing Rights		52 209	44 757
- Rand Subscription		—	1 066 292
Investments: - Rand Currency		456 070 458	233 222 716
- Other Currencies		142 673 154	30 575 900
Currency Inventory Account		6 439 825	—
Loans and advances: - Government		620 917 903	511 469 029
- Other		1 624 836	1 307 781
Fixed assets	7	15 445 135	9 971 405
Accounts receivable		8 072 946	3 215 878
		<u>1 261 990 386</u>	<u>790 945 413</u>

DR A JAAFAR
GOVERNOR

V T KAVARI
CHIEF FINANCIAL ACCOUNTANT

BANK OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS

31 January 1994

1. The Bank's financial statements are prepared on the historical cost basis. The financial statements have also been prepared to comply with the requirements of the Bank of Namibia Act, 1990. The principal accounting policies which have been consistently applied in all material respects, are set out below.

1.1 Fixed assets

Fixed property is stated at cost and is not depreciated. All other fixed assets are depreciated to write off their cost or valuation over their estimated useful lives in equal annual instalments.

1.2 Investments

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.

Interest from investments is accounted for on the accrual basis.

In terms of Section 32 of the Bank of Namibia Act, 1990, the Bank revalued its foreign investments at year end and any gains/losses were transferred to the revaluation reserve account.

1.3 Currency Inventory Account

The costs of new Namibia bank notes and coin purchased by the Bank are capitalised in the Currency Inventory Account and expensed when the currency is issued.

2. CAPITAL	1994 N\$	1993 N\$
Authorised capital of the Bank is	40 000 000	40 000 000
Issued capital of the Bank is	30 000 000	30 000 000
3. GENERAL RESERVE		
Opening balance	703 370	458 496
Transfer from appropriation account	1 014 973	244 874
Transfer from Special Reserve	4 632 646	—
From Foreign Donor	8 144 524	—
Closing balance	<u>14 495 513</u>	<u>703 370</u>
4. REVALUATION RESERVE		
Opening balance	201 796	519 058
Revaluation of foreign assets	1 185 276	(317 262)
Closing balance	<u>1 387 072</u>	<u>201 796</u>

BANK OF NAMIBIA

NOTES TO THE FINANCIAL STATEMENTS 31 January 1994

	1994 N\$	1993 N\$
5. SPECIAL RESERVE		
From own resources	1 375 485	1 375 485
From a Foreign Donor	5 792 161	5 792 161
Transfer to General Reserve	(4 632 646)	—
Closing Balance	<u>2 535 000</u>	<u>7 167 646</u>
This reserve has been created to meet the costs of producing the national currency.		
6. BUILDING RESERVE		
Opening Balance	2 203 864	—
Transfer from Appropriation account	—	2 203 864
Closing Balance	<u>2 203 864</u>	<u>2 203 864</u>
This reserve has been created to meet the costs of building new headquarters for the Bank.		
7. FIXED ASSETS		
Immovable property, at cost	6 866 233	6 834 542
Movable assets, at book value	8 578 902	3 136 863
	<u>15 445 135</u>	<u>9 971 405</u>
8. COMMITMENTS		
8.1 Capital expenditure		
Contracted	115 446	—
Authorised but not yet contracted	3 896 410	3 510 006
8.2 Issue of Namibian Currency		
Contracted	2 535 000	12 461 175
Authorised but not yet contracted	—	6 038 825
Total commitments	<u>6 546 856</u>	<u>22 010 006</u>

These commitments are to be financed from internal resources.

9. PENSION FUND

Pensions are provided for employees by a separate Pension Fund to which the Bank contributes. The Pension Fund is governed by the Pension Fund Act. The Pension Fund is in the nature of a defined benefit plan where the retirement benefits are determined with reference to the employee's pensionable remuneration and years of service. All employees contribute to the Pension Fund. The Fund is subject to an actuarial valuation every three years. Any shortfall will be made good by the Bank as recommended by the actuaries. A valuation was undertaken in March 1993 and no adjustments were recommended.

PART F

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TABLE 1. MAIN ECONOMIC INDICATORS OF THE NAMIBIAN ECONOMY

	Unit	1990	1991	1992	1993
1. National Income and Price:					
Real GDP at factor cost (at 1985 prices)	N\$ million	2874.3	3035.1	3203.6	3099.4
Per capita real GNP (at 1985 prices)	Dollar	2242.0	2237.0	2177.0	2201.0
Real Gross Domestic Investment (GDI) (at 1985 prices)	N\$ million	552.3	275.6	326.4	277.5
Ratio of GDI to real GDP	%	17.6	8.2	8.6	7.5
Real consumption (at 1985 prices)	N\$ million	2789.4	2983.6	3082.2	3113.8
Ratio of consumption to real GDP	%	84.7	85.0	81.9	84.5
CPI (base year 1980)	—	82.2	96.7	105.0	
2. Money and Credit					
(a) Monetary aggregates					
Money	N\$ million	614.3	822.0	1002.5	1466.8
Quasi money	N\$ million	863.1	1103.1	1420.1	1529.5
Net foreign assets	N\$ million	291.2	618.5	-91.1	-122.7
Domestic credit	N\$ million	1233.6	1357.5	2586.3	3336.9
(b) Interest rates (end of period):					
Treasury bill rate (Namibia)	%	—	16.4	12.5	11.3
Treasury bill rate (South Africa)	%	17.4	16.1	12.1	10.2
Bank rate (South Africa)	%	18.0	17.0	14.0	12.0
3. Public Finance:					
Total expenditure	N\$ million	2083.1	2822.0	3587.5	3430.3
Current	N\$ million	1829.1	2455.2	2989.3	2895.9
Capital	N\$ million	254.0	366.2	552.9	510.8
Net Lending	N\$ million	—	—	45.3	23.6
Total revenue	N\$ million	1999.0	2666.9	2718.7	2951.6
Tax	N\$ million	1644.8	2065.5	2315.8	2705.6
Nontax	N\$ million	354.2	601.4	402.9	246.0
Budget deficit including grants (-)	N\$ million	17.9	-88.0	-639.8	-408.7
4. External Sector:					
Exports of goods	N\$ million	2804.0	3401.0	3826.0	4224.0
Imports of goods	N\$ million	-2911.0	-3108.0	-3567.0	-3712.0
Current account balance	N\$ million	5.0	503.0	434.0	690.0
Capital account balance (exc. reserves)	N\$ million	-585.0	-421.0	-350.0	-516.0
Overall BOP	N\$ million	95.0	-34.0	-19.0	104.0

Source: Ministry of Finance and Bank of Namibia

TABLE 2. GROSS DOMESTIC AND NATIONAL PRODUCT**At current market prices (except where otherwise indicated)****N\$ million (except where otherwise indicated)**

	1986	1987	1988	1989	1990	1991	1992 Preliminary	1993
Remuneration of employees	1539.0	1821.1	2034.0	2324.6	2710.6	3217.8	3714.7	4093.6
Net operating surplus	1368.2	1218.7	1656.4	1943.4	1742.2	1852.3	2149.2	2457.6
Net domestic product at factor cost	2907.2	3039.8	3690.4	4268.0	4452.8	5070.1	5863.9	6551.2
Provision for depreciation	174.5	189.8	209.9	235.2	271.5	288.7	318.1	341.4
GDP at factor cost	3081.7	3229.6	3900.3	4503.2	4724.3	5358.8	6182.0	6892.6
Indirect taxes	343.7	361.7	640.5	784.4	844.5	961.8	1209.2	1403.1
less subsidies	85.2	76.0	62.5	45.9	60.3	68.4	122.7	101.3
GDP at market prices	3340.2	3515.3	4478.3	5241.7	5508.5	6252.2	7268.5	8194.4
plus net factor receipts from the rest of the world	-562.2	-217.9	-594.7	-341.6	99.0	278.0	120.0	178.0
GNP at market prices	2778.0	3297.4	3883.6	4900.1	5607.5	6530.2	7388.5	8372.4
Real GNP (at constant 1985 prices)	2430.8	2548.2	2707.4	2934.7	3048.1	3136.2	3146.4	3279.4
Real GDP (at constant 1985 prices)	2987.1	3079.6	3293.8	3317.7	3351.4	3541.1	3766.6	3684.8
Real GNP per capita (at constant 1985 Prices) (Dollar)	2020.0	2054.0	2116.0	2225.0	2242.0	2237.0	2177.0	2201.0

Source: Ministry of Finance

**TABLE 3. GROSS DOMESTIC PRODUCT BY KIND OF ECONOMIC ACTIVITY,
AT CURRENT MARKET PRICES**

	N\$ million							
	1986	1987	1988	1989	1990	1991	1992 Preliminary	1993
Primary sector:	1387.1	1166.9	1557.2	1826.7	1571.1	1645.5	1758.9	1894.4
Agriculture	230.3	286.1	325.2	381.8	411.1	466.3	479.1	552.0
Agriculture (commercial)	190.2	239.6	271.3	317.9	337.4	381.4	391.2	457.5
Agriculture (subsistence)	40.1	46.5	53.9	63.9	73.7	84.9	87.9	94.5
Fishing	59.4	75.5	90.6	65.6	79.3	80.3	79.5	126.1
Mining	1097.4	805.3	1141.4	1379.3	1080.7	1098.9	1200.3	1216.3
Diamond mining	500.0	350.2	609.4	713.3	552.1	720.0	788.5	783.8
Other mining and quarrying	597.4	455.1	532.0	666.0	528.6	378.9	411.8	432.5
Secondary sector:	291.7	361.5	428.7	472.8	592.7	625.6	762.2	933.6
Manufacturing	168.7	226.6	255.8	286.6	383.5	400.4	492.1	637.9
Fish processing	47.2	86.9	93.3	84.9	153.1	130.6	186.2	292.7
Other manufacturing	121.5	139.7	162.5	201.7	230.4	269.8	305.9	345.2
Electricity and water	53.9	53.0	75.7	77.2	95.5	114.2	126.6	134.7
Construction (contractors)	69.1	81.9	97.2	109.0	113.7	111.0	143.5	161.0
Tertiary sector:	1402.9	1701.2	1914.4	2203.7	2560.5	3087.7	3660.9	4064.6
Wholesale and retail trade, catering and accommodation	328.4	382.7	449.4	532.8	604.6	673.3	731.5	816.7
Transport and communication	175.2	204.1	229.7	265.0	318.3	363.7	419.5	475.4
Finance, Business services	184.8	217.3	263.7	311.2	365.3	422.1	492.7	552.7
Community, Personal services	54.1	62.7	72.5	85.1	98.3	112.5	128.4	142.2
Government	576.7	736.7	787.3	880.2	1023.0	1343.6	1691.6	1857.1
Other Producers	83.7	97.7	111.8	129.4	151.0	172.5	197.2	220.5
GDP at current factor cost	3081.7	3229.6	3900.3	4503.2	4724.3	5358.8	6182.0	6892.6
plus indirect taxes	343.7	361.7	640.5	784.4	844.5	961.8	1209.2	1403.1
minus subsidies	85.2	76.0	62.5	45.9	61.1	68.4	122.7	101.3
GDP at (current prices)	3340.2	3515.3	4478.3	5241.7	5507.7	6252.2	7268.5	8194.4

Source: Ministry of Finance

**TABLE 4. GROSS DOMESTIC PRODUCT BY KIND OF ECONOMIC ACTIVITY,
AT CONSTANT 1985 PRICES**

	N\$ million							
	1986	1987	1988	1989	1990	1991	1992 Preliminary	1993
Primary sector:	1250.5	1268.0	1290.8	1229.1	1197.1	1276.2	1310.5	1140.8
Agriculture	195.1	204.8	212.4	236.8	253.7	261.9	271.0	278.9
Agriculture (commercial)	159.7	168.3	175.0	198.3	214.0	221.1	230.6	237.5
Agriculture (subsistence)	35.4	36.5	37.4	38.5	39.7	40.8	40.4	41.4
Fishing	52.0	55.5	54.7	38.6	40.5	36.3	44.8	61.5
Mining	1003.4	1007.7	1023.7	953.7	902.9	978.0	994.7	800.4
Diamond mining	409.2	437.4	424.3	416.3	351.1	538.1	650.0	466.1
Other mining and quarrying	594.2	570.3	599.4	537.4	551.8	439.9	344.7	334.3
Secondary sector:	255.4	278.1	267.2	266.8	292.7	285.1	325.4	346.7
Manufacturing	145.4	166.0	151.2	152.7	177.1	174.6	206.2	227.0
Fish processing	40.1	61.3	44.1	35.5	55.6	46.8	74.4	89.3
Other manufacturing	105.3	104.7	107.1	117.2	121.5	127.8	131.8	137.7
Electricity and water	50.4	51.8	54.5	56.3	62.3	63.1	63.6	63.0
Construction (contractors)	59.6	60.3	61.5	57.8	53.3	47.4	55.6	56.7
Tertiary sector:	1250.0	1283.2	1310.7	1354.4	1384.5	1473.8	1567.7	1611.9
Wholesale and retail trade, catering and accommodation	289.5	299.7	311.7	321.2	322.8	323.4	313.7	318.4
Transport and communication	147.0	150.1	149.5	165.1	171.7	176.9	182.2	187.7
Finance, Business services	181.3	187.4	189.6	192.7	192.5	193.4	196.3	200.2
Community, Personal services	47.4	48.5	49.6	50.3	50.8	51.9	52.9	54.0
Government	508.4	518.5	528.8	541.4	561.7	641.5	734.2	760.5
Other Producers	76.4	79.0	81.5	83.7	85.0	86.7	88.4	91.1
GDP at constant factor cost plus indirect taxes minus subsidies	2755.9 305.0 75.6	2829.3 304.0 63.9	2868.7 407.9 44.3	2850.3 390.3 28.3	2874.3 483.0 36.6	3035.1 540.6 36.3	3203.6 561.3 40.8	3099.4 631.0 45.6
GDP (at constant 1985 prices)	2985.3	3069.4	3232.3	3212.3	3320.7	3539.4	3724.1	3684.8

Source: Ministry of Finance

**TABLE 5. EXPENDITURE ON GROSS DOMESTIC PRODUCT,
AT CURRENT MARKET PRICES**

	N\$ million							
	1986	1987	1988	1989	1990	1991	1992	1993 Preliminary
Consumption	2591.1	3367.2	3687.2	4450.2	5171.8	6222.3	7206.5	7889.9
Government	959.1	1164.2	1330.2	1441.5	1698.0	2148.5	2617.7	2708.4
Private	1632.0	2203.0	2357.0	3008.7	3473.8	4073.8	4588.8	5181.5
Gross Domestic Investment	418.8	519.5	856.9	833.2	1080.2	649.6	834.4	787.8
Gross Domestic Fixed Investment	425.6	504.2	658.5	828.6	930.6	653.1	907.4	868.2
Government	253.8	282.3	315.9	311.6	322.9	319.9	513.6	450.1
Private	171.8	221.9	342.6	517.0	607.7	333.2	393.8	418.1
Change in inventories	-6.8	15.3	198.4	4.6	149.6	-3.5	-73.0	-80.4
Gross domestic expenditure	3009.9	3886.7	4544.1	5283.4	6252.0	6871.9	8040.9	8677.7
Exports of goods and non-factor services	2368.3	2194.3	2635.8	3244.3	3164.1	3766.6	4223.0	4803.0
less imports of goods and non-factor services	2038.0	2565.7	2701.6	3286.0	3907.6	4386.3	4995.4	5286.3
Expenditure on GDP	3340.2	3515.3	4478.3	5241.7	5508.5	6252.2	7268.5	8194.4

Source: Ministry of Finance

**TABLE 6. EXPENDITURE ON GROSS DOMESTIC PRODUCT,
AT CONSTANT 1985 PRICES**

	N\$ million							
	1986	1987	1988	1989	1990	1991	1992	1993 Preliminary
Consumption	2275.3	2572.1	2513.1	2671.5	2789.4	2983.6	3082.2	3113.8
Government	815.7	813.8	846.8	823.5	884.4	988.9	1111.3	1090.6
Private	1459.6	1758.3	1666.3	1848.0	1905.0	1994.7	1970.9	2023.2
Gross Domestic Investment	349.6	391.4	600.3	452.9	552.3	275.6	326.4	277.5
Gross Domestic Fixed Investment	357.4	374.1	426.9	455.2	448.5	286.2	356.8	323.1
Government	218.6	213.7	206.8	174.7	159.6	140.9	200.0	167.2
Private	138.8	160.4	220.1	280.5	288.9	145.3	156.8	155.9
Change in inventories	-7.8	17.3	173.4	-2.3	103.8	-10.6	-30.4	-45.6
Gross domestic expenditure	2624.9	2963.5	3113.4	3124.4	3341.7	3259.2	3408.6	3391.3
Exports of goods and non-factor services	2067.9	1924.5	1841.1	1819.4	1791.0	2078.2	2363.7	2253.6
less imports of goods and non-factor services	1705.7	1808.4	1660.7	1626.1	1781.3	1796.3	2005.7	1960.1
Expenditure on GDP	2987.1	3079.6	3293.8	3317.7	3351.4	3541.1	3766.6	3684.8

Source: Ministry of Finance

TABLE 7. INDICATORS OF OTHER ECONOMIC ACTIVITIES

	Unit	1991	1992	1993
1. Private Sector Construction				
a. No. of buildings completed	No.	1899.0	2046.0	2748.0
Value of buildings completed	N\$ million	127.0	160.5	283.9
b. No. of building plans passed	No.	3322.0	4091.0	4225.0
Value of building plans passed	N\$ million	231.5	318.9	342.8
c. Total gross mortgage loans disbursed by building societies and NHE (outstanding)	N\$ million	591.0	701.0	828.6
2. Tourism				
a. Total no. of tourists arrivals	'000	153.8	170.7	215.6
i) From South Africa	'000	105.6	105.7	125.2
ii) From Africa (excl. RSA)	'000	15.6	24.2	35.3
iii) From Europe and other	'000	32.6	40.8	55.1
b. Total no. of accommodation establishments	no.	194.0	168.0	0.0
i) No. of rooms*	no.	2113.0	2161.0	2190.0
ii) No. of beds*	no.	4137.0	4299.0	4371.0
c. Average occupancy rate of:				
i) rooms	%	38.8	41.4	39.1
ii) beds	%	27.7	29.7	28.2
3. Transport Indicators				
a. Public Transport				
i) Rail:				
Carriage of goods	net ton km (million)	1190.6	1154.6	1097.3
No. of passengers	'000	157.0	140.1	88.8
ii) Road:				
Carriage of goods	'000 ton	444.8	536.7	535.6
No. of passengers	'000	82.7	89.9	77.9
iii) Air:				
No. of passengers	'000	140.5	161.7	164.2
- international	'000	35.2	46.8	61.1
- regional	'000	83.9	91.3	79.9
- domestic	'000	21.4	23.6	23.1
Carriage of goods	ton	1969.1	2342.0	3508.9
- international	ton	787.2	1170.9	2490.8
- regional	ton	999.5	994.4	850.2
- domestic	ton	182.4	176.7	167.9
iv) Harbour:	ton	26996.0	53376.0	46903.0
Tonnage landed	ton	14682.0	27935.0	24109.0
Tonnage shipped	ton	3724.0	12909.0	8822.0
Tonnage transhipped	ton	8590.0	12532.0	13972.0
b. Consumption of Petrol & Diesel	Klt	384026.0	420087.0	425498.0
i) Petrol	Klt	194460.0	206640.0	210901.0
ii) Diesel	Klt	189566.0	213447.0	214597.0
4. Electricity and Water Consumption:				
electricity	Mil. kwh	1507.8	1519.6	1495.7
water	Mil. cb mtr	85.8	87.9	0.0

0 indicates unavailability of data

* belongs to private establishments excl. private rest camps

Source: TransNamib, Ministry of Tourism, Central Statistics Office, Home Affairs etc.

TABLE 8. INTERIM CONSUMER PRICE INDEX AND INFLATION: WINDHOEK
(BASE PERIOD DECEMBER 1992= 100)

		Food	Housing, fuel & power	Transport & Communi- cations	All items	Inflation
1992	Jan.	90.43	99.97	87.78	91.68	19.20
	Feb.	89.70	99.97	91.64	92.44	18.45
	Mar.	92.53	101.45	91.64	94.12	20.40
	Q1	90.89	100.46	90.35	92.75	19.35
	Apr.	93.26	101.45	91.64	94.86	20.47
	May	95.09	101.48	94.57	95.91	20.28
	June	97.84	101.62	95.57	97.15	20.55
	Q2	95.40	101.52	83.95	95.97	20.43
	July	96.65	100.03	95.57	97.19	19.62
	Aug.	97.70	100.06	100.03	98.37	18.72
	Sept.	98.69	100.25	100.03	99.13	17.12
	Q3	97.68	100.11	98.54	98.23	18.46
	Oct.	100.83	101.25	100.03	100.04	16.04
	Nov.	100.34	100.25	100.00	99.93	12.78
	Dec.	100.00	100.00	100.00	100.00	10.82
	Q4	100.39	100.50	100.01	99.99	13.17
	Annual	96.06	100.73	95.71	96.74	17.73
1993	Jan.	99.05	100.00	101.47	100.57	9.70
	Feb.	98.51	101.35	102.30	101.17	9.44
	Mar.	100.16	103.80	102.35	102.33	8.72
	Q1	99.24	101.72	102.04	101.36	9.28
	Apr.	101.45	103.50	102.38	103.08	8.67
	May	103.20	103.53	105.33	104.45	8.90
	June	103.11	105.52	106.39	105.40	8.49
	Q2	102.06	104.18	104.70	104.31	8.69
	July	104.81	106.17	108.16	106.78	9.35
	Aug.	103.90	106.17	108.18	106.60	7.86
	Sept.	102.24	105.73	107.01	105.92	6.35
	Q3	103.65	106.02	107.78	106.43	8.34
	Oct.	103.46	106.21	109.99	107.59	7.05
	Nov.	106.12	106.21	110.19	108.74	8.32
	Dec.	104.48	112.74	110.49	110.24	9.74
	Q4	104.69	108.39	110.22	108.86	8.37
	Annual	102.79	105.33	106.44	105.49	8.53
1994	Jan.	105.77	113.00	111.43	111.42	10.2

Source: Central Statistics Office

TABLE 9. BANK OF NAMIBIA: DETAILED ACCOUNT (end of period in N\$ million)

ASSETS											
		FOREIGN ASSETS				CLAIMS ON DOMESTIC SECTOR				TOTAL	
		Banks	Non-banks	Fund Accounts	Sub-Total	Claims Central Govt.	DMB's	OBI's	Other	Sub-Total	ASSETS
1990		192.8	0.0	0.0	192.8	0.0	0.0	0.0	0.0	0.0	192.8
1991		159.4	0.0	0.7	160.1	0.0	0.0	0.1	0.0	0.1	160.2
1992	I	207.0	0.1	0.7	207.8	0.0	0.0	0.2	0.0	0.2	208.0
	II	113.4	0.1	0.7	114.2	479.3	3.1	0.2	0.0	482.6	596.8
	III	97.3	0.1	0.7	98.1	482.4	0.0	0.3	0.0	482.7	580.8
	IV	141.2	0.1	1.1	142.4	510.3	0.0	0.0	0.0	510.3	652.7
1993	Jan	264.0	0.1	1.1	265.3	511.5	0.0	0.3	0.0	511.8	777.0
	Feb	237.2	0.0	1.1	238.4	523.2	0.0	0.3	0.0	523.5	761.9
	Mar	102.5	0.0	1.1	103.7	524.3	0.0	0.3	0.0	524.6	628.3
	Apr	256.6	0.0	1.1	257.7	525.4	0.0	0.3	0.0	525.7	783.4
	May	162.8	0.0	1.2	164.0	529.3	0.0	0.3	0.0	529.6	693.6
	Jun	95.4	0.0	1.2	96.6	552.1	0.0	0.3	0.0	552.4	649.0
	Jul	100.1	0.0	1.2	101.4	553.3	0.0	0.3	0.0	553.6	655.0
	Aug	187.2	0.0	1.2	188.4	554.4	0.0	0.3	0.0	554.7	743.2
	Sep	351.6	0.0	1.2	352.8	555.6	0.0	0.3	0.0	555.9	908.7
	Oct	504.2	0.0	1.2	505.4	556.8	0.0	0.4	0.0	557.1	1062.6
	Nov	487.3	0.0	1.2	488.5	560.7	0.0	0.4	0.0	561.1	1049.6
	Dec	454.4	0.0	1.2	455.6	619.6	0.0	0.4	0.0	620.0	1075.6
1994	Jan	624.0	0.0	1.2	625.2	620.9	0.0	0.4	0.0	621.3	1246.5

LIABILITIES										
		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 LIABILI- TIES
1990		0.0	31.1	31.1	8.7	150.4	0.1	10.0	-7.5	192.8
1991		0.0	18.1	18.1	12.5	123.1	0.7	21.8	-16.1	160.2
1992	I	0.0	23.8	23.8	17.3	148.2	0.7	21.6	-3.7	208.0
	II	0.0	22.2	22.2	16.3	82.0	478.1	22.4	-24.2	596.8
	III	0.0	19.1	19.1	33.0	46.5	478.6	33.4	-29.8	580.8
	IV	0.0	16.4	16.4	0.0	143.5	509.9	31.9	-48.6	653.0
1993	Jan	0.0	16.9	16.9	0.0	222.3	510.8	40.3	-13.2	777.0
	Feb	0.0	26.0	26.0	0.0	186.0	517.5	40.3	-8.0	761.9
	Mar	0.0	21.1	21.1	0.0	56.7	518.7	40.7	-8.9	628.3
	Apr	0.0	24.4	24.4	0.0	210.4	519.5	41.2	-12.2	783.4
	May	0.0	24.7	24.7	0.0	112.8	523.3	41.2	-8.3	693.6
	Jun	0.0	29.1	29.1	0.0	40.9	545.6	41.9	-8.4	649.0
	Jul	0.0	32.7	32.7	0.0	43.2	547.1	41.7	-9.7	655.0
	Aug	0.0	39.3	39.3	0.0	114.1	558.7	42.3	-11.3	743.2
	Sep	104.3	70.5	174.8	0.0	156.2	549.3	43.54	-15.1	908.7
	Oct	139.0	199.5	0.0	298.1	550.2	41.1	-26.2	1062.6	
	Nov	145.6	66.2	211.8	0.0	267.7	553.3	40.1	-23.3	1049.6
	Dec	133.8	88.1	221.9	0.0	221.7	612.4	40.6	-21.0	1075.6
1994	Jan	136.2	76.2	212.4	0.0	399.0	612.7	50.6	-28.1	1246.5

TABLE 10. DEPOSIT MONEY BANKS: DETAILED ACCOUNT (end of period in N\$ million)

ASSETS												
Period	Reserves			Foreign Assets			Claims on Domestic Sector					TOTAL
	Namibian currency	Rands	Dep. with BoN	Sub-Total	Banks	Non-banks	Sub-Total	Treasury bills	Government securities	Loans and advances	Other	
1983	0.0	16.9	8.0	24.4	349.0	30.0	378.5	0.0	1.4	4.3	0.0	761.4
1984	0.0	20.5	10.0	30.0	290.7	22.6	312.8	0.0	2.7	2.3	0.0	749.5
1985	0.0	23.7	6.1	29.3	411.3	16.4	427.2	0.0	1.2	0.0	0.0	832.9
1986	0.0	27.4	3.6	30.5	267.2	53.8	320.5	0.0	4.4	28.0	0.0	812.2
1987	0.0	27.0	3.5	30.0	239.1	40.6	279.2	0.0	1.9	46.9	0.0	941.7
1988	0.0	36.5	10.5	46.5	283.5	30.1	313.1	0.0	3.4	97.2	0.0	1316.1
1989	0.0	44.9	17.1	61.5	333.0	65.3	397.8	0.0	3.4	56.6	0.0	1820.5
1990	0.0	50.2	31.6	81.3	286.4	88.2	374.1	0.0	1.2	38.8	0.0	1921.7
1991	0.0	66.5	18.7	84.7	426.1	159.9	585.5	12.2	1.2	25.6	1.8	2383.2
1992 I	0.0	45.4	24.3	69.2	290.3	135.5	425.3	10.8	1.2	24.6	1.8	2385.9
II	0.0	47.6	22.7	69.8	364.2	98.2	461.9	7.0	1.3	24.0	15.0	2596.3
July	0.0	35.5	22.1	57.1	233.2	97.5	330.2	12.7	1.2	23.8	14.4	2483.4
Aug	0.0	47.4	22.3	69.2	279.0	112.5	391.0	4.7	1.3	21.1	14.3	2510.9
Sep	0.0	47.5	19.6	66.6	300.9	109.8	410.2	24.0	1.3	16.3	15.5	2616.0
Oct	0.0	38.8	21.6	59.9	291.8	76.7	368.0	23.6	46.7	16.4	13.8	2674.1
Nov	0.0	51.7	24.0	75.2	383.7	85.7	468.9	32.1	46.3	17.0	13.8	2825.3
Dec	0.0	66.9	16.9	83.3	296.7	79.5	375.7	72.1	59.7	26.1	13.7	2788.1
1993 Jan	0.0	40.4	16.0	55.9	249.9	74.8	324.2	93.4	60.3	25.7	13.7	2787.5
Feb	0.0	40.2	26.5	66.2	255.9	61.5	316.9	99.9	58.9	25.8	13.7	2786.9
Mar	0.0	51.0	21.6	72.1	231.2	68.1	298.8	72.6	61.5	25.9	13.7	2842.1
Apr	0.0	37.7	24.1	61.3	191.1	68.0	258.6	88.1	59.4	26.3	21.9	2855.1
May	0.0	60.7	29.9	90.1	208.5	73.0	281.0	81.2	60.0	25.8	22.7	2974.0
Jun	0.0	55.1	29.6	84.2	270.2	71.4	341.1	98.5	69.3	34.5	21.8	3082.7
Jul	0.0	46.5	33.2	79.2	323.8	64.2	387.5	81.1	68.2	34.4	21.8	3130.6
Aug	0.0	56.8	39.8	96.1	166.2	56.3	222.0	100.5	75.9	34.2	21.8	3060.1
Sep	30.3	37.3	39.4	106.5	191.6	35.5	226.6	120.6	76.7	38.4	21.8	3176.6
Oct	32.2	22.5	26.6	81.3	162.1	33.1	195.2	115.2	74.9	29.9	25.4	3162.9
Nov	41.7	21.3	24.5	87.5	80.9	13.2	94.1	126.7	81.7	30.2	25.4	3144.8
Dec	60.9	11.4	27.2	99.5	159.2	35.8	195.0	143.3	80.8	29.2	25.9	3346.4
1994 Jan	51.4	9.9	26.3	87.6	132.8	10.3	143.1	153.6	82.0	28.9	25.9	3350.6

TABLE 10. DEPOSIT MONEY BANKS: DETAILED ACCOUNT (end of period in N\$ million)

LIABILITIES																
Period	Demand deposits	Time, Savings & For. curr. dep.				Money market instruments	Bonds	Foreign Liabilities			Central Govts. deposits	Credit from BoN	Capital accounts	Other items (NET)	TOTAL	
		For. curr.		Savings	Sub-Total			Banks	Non-banks	Sub-Total						
		Time dep.														
1983	142.9	0.0	251.8	188.0	439.8	1.8	0.0	30.1	4.3	34.4	167.4	0.0	16.0	-40.9	761.4	
1984	186.5	0.0	255.4	135.8	391.2	1.5	0.0	41.4	2.9	44.3	115.8	0.0	18.7	-8.5	749.5	
1985	182.0	0.0	325.9	156.8	482.7	2.0	0.0	23.6	22.7	46.3	111.4	0.0	22.2	-13.7	832.9	
1986	247.2	0.0	174.5	307.3	481.8	0.0	0.0	37.1	12.3	49.4	99.9	0.0	23.6	-89.7	812.2	
1987	329.1	0.0	363.4	202.2	565.6	0.0	0.0	35.0	8.3	43.3	96.8	0.0	25.6	-118.7	941.7	
1988	418.3	0.0	447.5	223.9	671.4	0.0	0.0	168.2	8.2	176.4	47.7	0.0	58.3	-56.0	1316.1	
1989	771.2	0.0	560.7	247.3	808.0	0.0	0.0	148.6	15.4	164.0	41.9	0.0	61.0	-25.6	1820.5	
1990	605.6	0.0	616.6	246.5	863.1	0.0	0.0	213.4	62.2	275.6	82.3	0.0	87.9	7.2	1921.7	
1991	809.5	0.0	794.0	309.1	1103.1	0.0	4.0	71.7	54.8	126.5	232.6	0.0	162.8	-55.3	2383.2	
1992	I	823.3	0.0	623.3	324.2	947.5	0.0	4.0	188.4	15.8	204.2	231.5	0.0	165.4	10.0	2385.9
	II	1012.4	0.0	702.8	331.0	1033.8	0.0	0.4	67.1	15.8	82.9	354.2	0.0	176.1	-63.5	2596.3
	July	806.1	0.0	737.4	341.7	1079.1	0.0	5.0	107.1	15.9	123.0	277.5	0.0	179.4	13.3	2483.4
	Aug	895.2	0.0	858.0	345.8	1203.8	0.0	5.8	57.8	28.8	86.6	164.0	0.0	182.8	-27.3	2510.9
	Sep	915.7	0.0	906.1	347.8	1253.9	0.0	4.8	53.9	37.8	91.7	176.3	0.0	186.0	-12.4	2616.0
	Oct	927.4	0.0	939.3	341.7	1281.0	0.0	4.8	60.8	41.4	102.2	183.2	0.0	194.5	-19.0	2674.1
	Nov	1048.0	0.0	982.8	350.4	1333.2	0.0	5.0	54.7	80.3	135.0	137.5	0.0	199.2	-32.6	2825.3
	Dec	1002.4	0.0	1082.3	337.8	1420.1	0.0	2.4	56.1	43.3	99.4	109.9	0.0	204.5	-50.6	2788.1
	Jan	951.1	0.0	1095.2	339.3	1434.5	0.0	2.3	86.6	52.1	138.7	122.7	0.0	212.4	-74.2	2787.5
	Feb	970.2	0.0	1038.9	347.9	1386.8	0.0	2.4	89.2	59.3	148.5	134.1	0.0	219.1	-74.2	2786.9
	Mar	1016.8	0.0	1064.0	352.6	1416.6	0.0	4.3	60.4	48.4	108.8	132.1	0.0	223.7	-60.2	2842.1
	Apr	1035.4	0.0	1052.8	353.2	1406.0	0.0	3.8	63.0	62.1	125.1	115.9	0.0	222.0	-53.1	2855.1
May	1133.4	0.0	1024.7	347.0	1371.7	0.0	4.5	127.1	57.0	184.1	108.4	0.0	229.7	-57.8	2974.0	
Jun	1200.0	0.0	1142.8	346.0	1488.8	0.0	4.0	77.3	37.0	114.3	109.0	0.0	236.0	-69.4	3082.7	
Jul	1254.4	0.0	1097.4	346.5	1443.9	0.0	3.7	132.4	44.8	177.2	113.6	0.0	240.2	-102.4	3130.6	
Aug	1155.8	0.0	1069.1	349.7	1418.8	0.0	3.9	144.7	38.3	183.0	132.7	0.0	248.0	-82.1	3060.1	
Sep	1155.0	0.0	1141.9	351.1	1493.0	0.0	3.5	179.5	29.3	208.8	108.9	0.0	253.5	-46.1	3176.6	
Oct	1183.9	0.0	1147.3	352.0	1499.4	0.0	3.8	68.3	54.5	122.8	117.4	0.0	258.5	-23.0	3162.9	
Nov	1158.8	0.0	1140.9	356.6	1497.5	0.0	4.1	154.5	54.8	209.3	119.5	0.0	268.5	-113.0	3144.8	
Dec	1333.1	0.0	1182.5	347.0	1529.5	0.0	3.9	145.7	15.2	160.9	113.3	0.0	273.2	-67.4	3346.4	
1994	Jan	1045.4	0.0	1361.4	344.6	1705.9	0.0	3.9	233.0	16.5	249.5	138.0	0.0	274.8	-67.0	3350.6

TABLE 11. MONETARY SURVEY (In N\$ million)

End of Period	Foreign Assets (Net)	Domestic Credit				TOTAL	Money Supply					TOTAL	
		To Gov't (Net)	Financial Sector	Private Sector	Other		Currency in Circulation	Demand Deposits	Savings Deposits	Time Deposits	Sub-Total		Other Items (Net)
1990	III	291.6	-102.1	49.4	1333.4	5.3	n/a	580.8	248.8	687.6	1517.2	60.5	1577.7
	IV	291.2	-192.7	47.6	1372.6	6.1	n/a	614.3	246.5	616.6	1477.4	47.4	1524.9
1991	I	490.5	-375.2	26.6	1418.3	8.0	n/a	524.5	272.9	676.1	1473.5	94.6	1568.1
	II	628.6	-508.5	29.5	1495.5	8.3	n/a	635.2	280.2	633.7	1549.1	104.3	1653.4
	III	518.4	-363.4	32.3	1549.8	48.8	n/a	710.8	299.3	682.7	1692.8	93.1	1785.8
	IV	618.5	-314.9	13.1	1599.9	59.4	n/a	821.9	309.1	794.0	1925.0	50.9	1975.9
1992	Jan	707.7	-510.9	10.5	1662.2	48.4	n/a	816.0	310.7	700.0	1826.8	91.1	1917.9
	Feb	667.5	-450.4	5.1	1728.3	48.9	n/a	915.7	319.5	628.9	1864.1	135.3	1999.4
	Mar	428.1	-341.4	10.3	1793.6	49.4	n/a	840.6	324.2	623.3	1788.2	151.9	1940.1
	Apr	644.4	-477.7	17.8	1836.6	49.9	n/a	883.6	325.1	744.8	1953.5	117.5	2071.0
	May	131.3	-54.8	1.7	1889.1	50.4	n/a	908.3	333.5	692.4	1934.2	83.5	2017.7
	June	15.1	90.4	12.6	1950.5	54.4	n/a	1028.7	331.0	702.8	2062.5	60.6	2123.1
	July	-46.6	91.3	21.4	1969.6	53.1	n/a	836.9	341.7	737.4	1915.9	172.9	2088.8
	Aug	15.0	230.4	4.1	1951.9	53.7	n/a	928.6	345.8	858.0	2132.4	122.6	2254.9
	Sept	-62.0	316.7	4.3	2023.7	54.4	n/a	948.7	347.8	906.1	2202.6	134.5	2337.1
	Oct	-19.0	234.0	25.9	2064.7	55.4	n/a	938.7	341.7	939.2	2219.7	141.3	2361.0
	Nov	-58.1	378.1	21.3	2095.0	56.0	n/a	1048.0	350.4	982.8	2381.2	111.0	2492.3
	Dec	-91.1	428.5	21.3	2079.2	57.3	n/a	1002.4	337.8	1082.3	2422.6	72.6	2495.2
1993	Jan	-59.9	359.6	21.4	2136.6	56.6	n/a	951.1	339.3	1095.2	2385.6	128.6	2514.2
	Feb	-110.7	401.4	16.3	2135.0	54.6	n/a	970.2	348.0	1038.9	2357.0	139.6	2496.6
	Mar	-225.0	509.0	22.5	2220.4	55.0	n/a	1016.8	352.6	1064.0	2433.4	148.4	2581.8
	Apr	-128.3	394.8	18.6	2265.0	56.2	n/a	1035.4	353.3	1052.8	2441.4	164.8	2606.2
	May	-262.4	497.9	18.6	2337.4	57.5	n/a	1133.4	347.0	1024.7	2505.1	143.8	2648.9
	June	-222.1	626.3	19.3	2356.6	57.7	n/a	1200.0	346.0	1142.8	2688.8	148.9	2837.8
	Jul	-235.4	601.9	17.8	2386.7	54.2	n/a	1254.4	346.5	1097.4	2698.2	127.1	2825.3
	Aug	-331.3	540.0	22.1	2432.8	55.0	n/a	1155.8	349.7	1069.0	2574.6	144.0	2718.6
	Sep	-178.7	547.9	21.5	2509.3	55.6	104.3	1155.0	351.1	1141.9	2752.3	203.3	2955.6
	Oct	27.6	386.7	25.3	2559.8	56.1	139.0	1183.9	352.0	1147.3	2822.3	233.4	3055.7
	Nov	-180.1	437.4	19.4	2623.4	56.9	145.6	1158.8	356.6	1140.9	2801.9	155.1	2957.0
	Dec	-122.7	563.8	10.5	2705.5	57.1	133.8	1333.1	347.0	1182.5	2996.4	217.8	3214.2
1994	Jan	-93.9	374.4	10.4	2765.6	53.9	136.2	1045.4	344.6	1361.4	2887.6	222.8	3110.4

Note:

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

TABLE 12. OTHER BANKING INSTITUTIONS: DETAILED ACCOUNT (end of period in N\$ million)

ASSETS	1991	1992				1993					1994			
	Dec	I	II	III	IV	I	II	Jul	Aug	Sep	Oct	Nov	Dec	Jan
1. RESERVES	149.6	104.6	124.1	113.1	138.4	143.2	132.8	155.3	126.8	132.7	119.0	98.1	138.9	148.2
2. FOREIGN ASSETS														
a. Banks	0.0	0.0	5.0	11.0	0.7	0.5	0.5	0.5	0.5	0.4	0.4	0.7	0.7	0.7
b. Nonbanks	0.0	0.0	5.0	11.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.7	0.5	0.5	0.5	0.5	0.4	0.4	0.7	0.7	0.7
3. CLAIM ON CENTRAL GOVERNMENT														
a. Treasury bills	0.0	0.0	0.0	0.0	3.0	10.0	15.0	10.0	14.9	10.9	10.9	9.0	6.0	11.0
b. Government securities	0.0	0.0	0.0	0.0	0.0	4.0	9.0	4.0	8.9	4.9	4.9	3.0	0.0	0.0
c. Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. CLAIMS ON LOCAL AUTHORITIES AND REGIONAL COUNCILS	0.0	0.0	0.0	0.0	3.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	11.0
	5.6	5.6	5.6	5.6	5.8	5.6	5.9	5.4	5.5	5.6	5.4	5.5	6.1	5.4
5. CLAIMS ON NON-FIN. PUB. ENTERP.														
a. Securities	5.4	2.4	1.7	0.9	2.4	2.5	1.6	1.6	1.2	1.3	1.2	3.3	7.7	9.6
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
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
d. Other	5.4	2.4	1.7	0.9	2.4	2.5	1.6	1.6	1.2	1.3	1.2	3.3	7.7	9.6
6. CLAIMS ON NONBANK F. INST.	7.0	7.0	7.0	7.0	7.0	7.6	9.8	12.6	11.7	13.6	15.3	15.4	16.6	16.7
7. CLAIMS ON PRIVATE SECTOR														
a. Individuals	767.8	913.2	934.3	964.7	1003.7	1025.5	1051.3	1068.5	1093.2	1105.5	1116.3	1129.1	1148.7	1164.0
b. Business	729.4	878.0	897.2	927.3	970.8	989.7	1011.3	1027.7	1044.6	1058.2	1069.1	1083.0	1102.2	1116.7
	38.4	35.2	37.1	37.4	32.9	35.9	40.1	40.7	48.5	47.4	47.1	46.2	46.5	47.4
8. CLAIMS ON DMBs	0.0	0.0	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	935.4	1032.9	1077.8	1102.3	1161.0	1195.0	1216.9	1253.9	1253.9	1270.0	1268.5	1261.1	1324.5	1355.7

TABLE 12. OTHER BANKING INSTITUTIONS: DETAILED ACCOUNT (end of period in N\$ million)

	1991	1992				1993							1994	
LIABILITIES	Dec	I	II	III	IV	I	II	Jul	Aug	Sep	Oct	Nov	Dec	Jan
1. TIME, SAVINGS AND FOREIGN C. DEP. a. Time Deposits b. Savings Deposits c. Foreign Currency Deposits	376.4 294.2 82.2 0.0	447.8 321.1 126.7 0.0	442.0 304.8 137.2 0.0	472.3 314.3 157.9 0.0	479.8 316.9 162.9 0.0	465.4 300.3 165.1 0.0	453.6 292.6 161.0 0.0	483.8 319.9 163.8 0.0	489.5 325.5 164.0 0.0	504.0 335.7 168.3 0.0	499.0 328.7 170.3 0.0	484.5 315.6 168.9 0.0	499.4 330.5 168.9 0.0	505.2 327.4 177.8 0.0
2. MONEY MARKET INSTRUMENTS	147.0	60.2	93.0	129.7	153.1	195.8	181.2	185.2	186.6	176.6	181.5	190.5	223.8	232.3
3. BONDS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. FOREIGN LIABILITIES a. Banks b. Nonbanks	2.8 0.0 2.8	8.2 0.0 8.2	8.2 0.0 8.2	8.4 0.0 8.4	8.6 0.0 8.6	8.1 0.0 8.1	8.0 0.0 8.0	10.7 0.0 10.7	10.4 0.0 10.4	10.4 0.0 10.4	10.4 0.0 10.4	10.2 0.0 10.2	10.2 0.0 10.2	10.2 0.0 10.2
5. CENTRAL GOVERNMENT DEPOSITS	62.0	26.8	54.9	7.1	10.9	21.0	21.5	19.4	19.6	20.1	19.3	19.4	21.8	23.0
6. CREDIT FROM CENTRAL BANK	0.0	0.0	0.0	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2
7. CREDIT FROM DMB's	4.0	5.1	1.9	3.0	21.0	22.4	17.7	16.0	21.1	26.4	26.4	20.0	20.0	20.0
8. CAPITAL ACCOUNTS	401.7	520.9	532.8	541.7	563.2	573.1	597.7	606.0	612.6	613.7	619.4	627.0	634.2	642.1
9. OTHER ITEMS (NET) a. Unclassified liabilities b. Less: Unclassified assets	-58.5 20.2 78.7	-36.0 55.0 91.0	-55.1 51.2 106.2	-60.1 49.0 109.1	-75.9 46.6 122.5	-91.2 33.4 124.6	-63.2 74.3 137.5	-67.4 71.4 138.8	-86.1 54.9 141.1	-87.6 59.4 140.8	-90.7 61.3 149.0	-85.2 60.8 151.5	-77.4 73.7 158.9	-74.5 75.9 153.2
10. TOTAL LIABILITIES	935.4	1032.9	1077.8	1102.3	1161.0	1195.0	1216.9	1253.9	1253.9	1270.0	1268.5	1261.1	1324.5	1355.7

TABLE 13. BANKING SURVEY (In N\$ million)

End of Period	Foreign Assets (Net)	Domestic Credit			TOTAL	Money Supply				TOTAL
		To Gov't (Net)	Financial Sector	Private Sector		Monetary Liabilities	Quasi-Monetary Liabilities	Sub-Total	Other Items (Net)	
1991 IV	615.6	-377.0	7.0	2367.6	2683.8	672.4	1479.5	215.9	531.9	747.8
1992 Jan	695.5	-575.0	7.0	2433.7	2618.5	686.8	1416.8	2103.5	515.0	2618.5
Feb	659.2	-526.4	7.0	2510.3	2707.6	789.5	1342.8	2132.3	575.3	2707.6
Mar	419.9	-368.1	7.0	2706.8	2823.0	736.0	1395.3	2131.3	691.7	2823.0
Apr	646.7	-572.4	7.0	2749.4	2888.4	772.5	1495.1	2267.6	620.7	2888.4
May	134.1	-77.9	7.0	2809.2	2930.2	787.0	1510.5	2297.5	632.7	2930.2
June	11.9	35.5	7.0	2884.8	3001.0	904.7	1475.8	2380.4	620.6	3001.0
July	-43.8	39.4	7.0	2917.2	2979.9	722.8	1530.3	2253.1	726.7	2979.9
Aug	17.7	213.0	7.0	2908.4	3206.6	807.8	1678.6	2486.4	720.2	3206.6
Sept	-59.4	309.6	7.0	2988.4	3306.5	835.6	1726.2	2561.8	744.7	3306.5
Oct	-27.4	222.3	7.0	3048.8	3311.8	820.0	1745.4	2565.4	746.4	3311.8
Nov	-66.6	366.1	7.0	3086.8	3455.1	881.8	1826.9	2708.8	746.4	3455.1
Dec	-99.0	420.6	7.0	3082.9	3477.0	864.0	1900.0	2764.0	713.1	3477.0
1993 Jan	-67.9	337.9	7.0	3146.5	3488.2	799.0	1917.9	2716.9	771.3	3488.2
Feb	-118.7	384.9	7.0	3153.2	3488.9	843.9	1871.3	2715.2	773.7	3488.9
Mar	-232.6	498.0	7.6	3245.9	3581.9	873.6	1882.0	2755.6	826.4	3581.9
Apr	-135.8	404.4	9.4	3301.9	3644.1	912.3	1865.0	2777.2	866.9	3644.1
May	-269.9	491.1	12.7	3379.5	3678.8	997.5	1828.7	2826.2	852.6	3678.8
June	-229.6	619.8	9.8	3407.9	3873.1	1067.2	1942.4	3009.6	863.5	3873.1
Jul	-245.6	592.6	12.6	3455.2	3876.0	1099.2	1927.6	3026.7	849.3	3876.0
Aug	-341.2	535.4	11.7	3525.9	3793.6	1029.0	1908.3	2937.3	856.3	3793.6
Sep	-188.7	538.7	13.6	3614.9	4041.0	1126.6	1996.9	3123.6	917.4	4041.0
Oct	17.6	378.3	15.3	3676.1	4150.2	1203.9	1998.4	3202.3	947.8	4150.2
Nov	-189.6	427.1	15.4	3752.5	4071.0	1206.2	1982.0	3188.3	882.7	4071.0
Dec	-132.3	548.0	16.6	3854.2	4357.3	1328.0	2028.9	3356.9	1000.4	4357.3
1994 Jan	-103.5	362.4	16.7	3929.6	4274.3	1033.5	2211.1	3244.6	1029.7	4274.3

TABLE 14. 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	
1992	Jan	1096.6	311.2	347.3	381.6	102.6	830.5	2237.3
	Feb	1140.2	319.5	310.3	378.8	63.7	751.3	2211.0
	Mar	994.0	324.2	259.2	362.7	63.9	685.3	2003.0
	Apr	1074.6	325.1	337.1	527.5	107.1	971.2	2370.4
	May	1018.7	333.5	422.4	418.8	95.3	936.0	2287.7
	Jun	1191.2	331.0	297.1	450.2	95.8	842.6	2364.3
	Jul	1006.5	341.6	273.1	461.3	96.2	830.1	2177.7
	Aug	1033.2	345.8	273.7	412.7	190.5	875.9	2254.9
	Sept	1053.4	347.6	306.9	513.4	104.6	924.4	2324.9
	Oct	1022.7	341.7	315.9	582.4	97.5	995.3	2359.2
	Nov	1119.5	350.4	238.3	604.8	179.8	1022.4	2491.8
	Dec	1064.5	338.3	304.8	671.2	125.3	1100.8	2503.1
1993	Jan	1014.9	339.3	428.9	567.8	117.1	1113.8	2468.0
	Feb	1009.0	347.9	352.0	639.0	84.0	1075.0	2431.9
	Mar	1094.2	352.6	402.8	594.0	97.3	1094.1	2540.9
	Apr	1122.8	353.2	294.4	674.6	102.0	1071.0	2547.0
	May	1187.5	346.9	289.5	687.8	63.0	1040.3	2574.7
	Jun	1246.2	346.0	381.1	701.5	75.6	1158.2	2750.4
	Jul	1312.1	346.5	267.8	767.7	77.1	1112.7	2771.2
	Aug	1254.9	349.7	320.2	621.3	142.7	1084.2	2688.8
	Sep	1218.2	351.1	445.8	557.4	148.8	1152.0	2721.3
	Oct	1204.0	352.0	382.1	539.8	240.6	1162.5	2718.5
	Nov	1234.4	356.6	254.7	642.8	258.5	1156.0	2747.1
	Dec	1333.1	347.0	282.9	627.9	286.8	1197.5	2877.6
1994	Jan	1139.0	344.6	500.5	603.3	283.6	1387.4	2871.0

TABLE 15. SOURCES OF DEPOSIT MONEY BANKS DEPOSITS (In N\$ million)

Period	Demand Deposits					Savings Deposits					Time Deposits					TOTAL DEPOSITS			
	Private Sector		Financial Sector	Central Govt.	Other	Sub-Total	Private Sector		Financial Sector	Central Govt.	Other	Sub-Total	Private Sector		Financial Sector		Central Govt.	Other	Sub-Total
	Bussin.	Indiv.					Bussin.	Indiv.											
1992 Jan	305.9	444.6	26.3	262.4	56.9	1096.1	4.0	306.6	0.0	0.0	0.1	310.7	123.0	386.0	50.6	130.0	140.4	830.0	2237.3
Feb	342.3	455.3	32.0	226.6	84.0	1140.2	4.1	315.3	0.0	0.0	0.1	319.5	70.3	431.2	34.3	122.4	93.1	751.3	2211.0
Mar	323.2	450.2	13.1	131.3	76.2	994.0	4.0	320.0	0.0	0.0	0.2	324.2	39.0	395.4	36.3	61.6	152.5	684.8	2003.0
Apr	271.3	484.7	54.9	178.5	85.2	1074.6	4.0	321.0	0.0	0.0	0.1	325.1	83.4	460.8	31.4	226.0	169.1	970.7	2370.9
May	320.8	494.5	24.3	110.7	68.4	1018.7	4.1	329.3	0.0	0.0	0.1	333.5	39.0	394.0	60.3	243.1	199.1	935.5	2288.2
Jun	444.9	494.7	16.2	156.5	78.9	1191.2	4.0	326.9	0.0	0.0	0.1	331.0	43.5	427.4	52.7	139.3	179.2	842.1	2364.8
Jul	292.7	504.5	25.9	130.7	52.7	1006.5	4.0	337.5	0.0	0.0	0.1	341.6	91.2	422.3	74.8	92.2	149.1	829.6	2178.2
Aug	407.2	428.7	51.0	98.0	48.3	1033.2	1.1	344.6	0.0	0.0	0.1	345.8	100.0	441.1	110.4	18.0	206.4	875.9	2254.9
Sep	395.9	489.6	24.6	98.0	45.2	1053.3	1.3	346.4	0.0	0.0	0.1	347.8	103.9	471.9	113.9	17.6	216.5	923.8	2324.9
Oct	437.7	423.1	29.7	66.5	65.8	1022.8	1.1	340.5	0.0	0.0	0.1	341.7	57.5	462.3	111.9	55.6	307.4	994.7	2359.2
Nov	521.9	450.3	57.8	42.9	46.7	1119.6	1.2	349.1	0.0	0.0	0.1	350.4	136.1	475.3	51.6	39.0	319.8	1021.8	2491.8
Dec	438.6	468.2	54.8	31.1	71.7	1064.4	1.2	337.0	0.0	0.0	0.1	338.3	190.0	479.5	75.4	15.1	340.4	1100.4	2503.6
1993 Jan	361.5	491.6	65.3	36.7	59.8	1014.9	1.2	338.1	0.0	0.0	0.0	339.3	271.0	472.0	79.0	18.6	273.2	1113.8	2468.0
Feb	371.7	474.0	64.0	29.5	69.8	1009.0	1.2	346.7	0.0	0.0	0.0	347.9	194.0	468.6	95.4	36.1	280.9	1075.0	2432.4
Mar	348.1	527.2	98.7	37.6	82.6	1094.2	1.1	351.5	0.0	0.0	0.0	352.6	190.3	474.7	101.3	30.3	297.5	1094.1	2541.4
Apr	469.8	501.9	68.2	31.5	51.4	1122.8	1.1	352.1	0.0	0.0	0.0	353.2	210.6	467.2	73.0	18.2	302.0	1071.0	2547.0
May	534.8	472.3	75.8	26.5	78.1	1187.5	1.0	345.9	0.0	0.0	0.0	346.9	164.4	462.4	97.2	15.6	300.7	1040.3	2574.7
Jun	490.0	583.3	60.5	26.2	86.2	1246.2	1.1	344.9	0.0	0.0	0.0	346.0	280.0	457.4	110.1	15.4	295.2	1158.2	2750.4
Jul	443.3	698.6	86.8	27.8	55.5	1312.1	1.1	345.3	0.0	0.0	0.0	346.5	122.6	616.3	67.7	15.3	290.7	1112.7	2771.2
Aug	492.4	617.1	28.9	45.0	71.5	1254.9	1.1	348.6	0.0	0.0	0.0	349.7	193.0	488.6	77.6	15.1	309.9	1084.2	2688.8
Sep	452.0	638.1	45.4	24.1	58.6	1218.2	1.1	350.0	0.0	0.0	0.0	351.1	253.0	485.6	73.6	10.1	329.7	1152.0	2721.3
Oct	504.7	542.9	67.3	26.0	63.1	1204.0	1.1	350.9	0.0	0.0	0.0	352.0	254.8	514.6	42.6	15.1	335.3	1162.5	2718.5
Nov	464.0	570.9	71.7	28.1	99.8	1234.4	1.9	354.7	0.0	0.0	0.0	356.6	288.7	493.5	32.6	15.1	326.2	1156.0	2747.1
Dec	697.1	490.4	75.9	25.1	114.0	1402.4	20.1	326.8	0.0	0.0	0.0	347.0	319.6	484.4	40.6	15.0	338.0	1197.5	2947.0
1994 Jan	370.1	539.8	110.4	30.8	87.9	1139.0	1.5	343.1	0.0	0.0	0.0	344.6	282.1	768.2	4.1	26.0	307.0	1387.4	2871.0

TABLE 16. SECTORAL DISTRIBUTION OF DEPOSITS (In N\$ million)

PERIOD		PRIVATE SECTOR			FINAN- CIAL SECTOR	CENTRAL GOVERN- MENT	OTHER	TOTAL
		Business	Individual	Sub-Total				
1992	Jan	433.4	1137.7	1570.6	77.4	392.4	197.4	2237.3
	Feb	417.2	1202.3	1619.0	66.8	349.0	177.2	2211.0
	Mar	366.7	1166.1	1532.3	49.9	192.9	229.4	2003.0
	Apr	359.2	1267.0	1625.7	86.8	404.5	254.9	2370.9
	May	364.4	1218.3	1582.2	85.1	353.8	268.1	2288.2
	Jun	492.9	1249.0	1741.9	69.4	296.3	258.7	2364.8
	Jul	388.4	1264.8	1652.7	101.2	223.4	202.4	2178.2
	Aug	508.8	1214.9	1723.2	161.9	116.0	255.3	2255.4
	Sep	501.6	1308.4	1809.5	139.0	116.1	262.3	2325.4
	Oct	496.8	1226.4	1722.7	142.1	122.6	373.8	2359.7
	Nov	659.7	1275.2	1934.4	109.9	82.4	367.1	2492.3
	Dec	630.3	1285.2	1915.0	130.7	46.7	412.2	2503.1
1993	Jan	634.2	1302.2	1935.9	144.8	55.8	333.0	2468.0
	Feb	567.4	1289.8	1856.7	159.9	66.1	350.7	2431.9
	Mar	540.0	1353.9	1893.4	200.0	68.4	380.1	2540.9
	Apr	682.0	1321.7	2003.2	141.2	50.2	353.4	2547.0
	May	700.7	1281.1	1981.3	173.0	42.6	378.8	2574.7
	Jun	771.1	1385.7	2156.8	170.6	41.6	381.4	2750.4
	Jul	567.1	1660.2	2227.3	154.5	43.2	346.3	2771.2
	Aug	686.5	1454.3	2140.8	106.5	60.2	381.3	2688.8
	Sep	706.1	1473.7	2179.8	119.0	34.2	388.3	2721.3
	Oct	761.1	1408.9	2169.5	109.9	41.5	398.4	2718.5
	Nov	755.0	1419.5	2174.1	104.3	43.6	426.0	2747.1
	Dec	1037.3	1302.1	2338.9	116.5	40.5	452.0	2947.0
1994	Jan	653.6	1651.0	2304.6	114.6	56.9	394.9	2871.0

TABLE 17. INTEREST RATES

MONTH		Treasury Bills 1)	3 - Months Bankers Acceptances 2)	Government Bonds 2)	Money Market Rates 2)	Deposit Rates 1)	Lending Rates 1)
1991	Jan		17.63	16.00	17.88	13.33	22.68
	Feb		17.43	15.58	17.94	13.32	22.73
	Mar		17.33	15.64	17.65	13.17	21.92
	Apr		17.23	15.83	16.75	12.68	22.09
	May	16.85	16.95	16.01	16.90	12.42	21.69
	Jun	16.75	16.81	16.31	16.75	12.77	22.09
	Jul	16.72	16.85	16.43	16.88	12.68	21.97
	Aug	16.67	16.78	16.79	16.90	12.52	21.87
	Sept	16.61	16.74	16.84	16.68	12.29	22.06
	Oct	16.55	16.69	17.21	16.13	12.56	22.03
	Nov	16.48	16.40	16.83	16.00	12.72	21.92
	Dec	16.36	16.13	16.66	16.00	12.48	21.81
1992	Jan	16.6	16.23	17.1	16.00	12.43	20.78
	Feb	16.5	15.99	16.86	15.75	12.47	21.06
	Mar	16.0	16.2	16.9	15.00	11.96	20.82
	Apr	15.7	15.33	16.26	15.00	11.75	19.84
	May	14.9	15.2	16.4	14.00	11.84	21.4
	Jun	14.4	14.37	15.98	13.81	11.72	21.6
	Jul	13.9	14.0	15.7	14.6	10.81	20.0
	Aug	12.7	12.50	14.38	12.75	10.69	20.7
	Sept	12.7	12.50	14.20	12.75	10.66	20.7
	Oct	12.21	12.40	13.86	12.75	10.82	19.6
	Nov	12.41	12.00	14.54	12.25	10.72	20.7
	Dec	12.46	12.40	14.90	12.25	10.43	18.9
1993	Jan	12.9	12.7	14.65	11.90	10.27	19.8
	Feb	12.3	12.2	14.36	10.97	10.29	19.8
	Mar	12.4	12.3	14.49	10.90	9.58	18.4
	Apr	13.0	12.6	15.03	11.05	9.9	18.2
	May	12.99	12.5	14.92	11.08	9.8	17.8
	Jun	13.0	12.5	14.70	11.2	9.9	17.9
	Jul	12.6	12.4	14.7	11.2	10.0	18.8
	Aug	12.9	12.2	14.3	11.7	10.0	18.9
	Sep	12.9	12.2	13.8	11.6	10.1	18.9
	Oct	12.18	11.31	13.06	10.90	9.59	18.04
	Nov	11.53	10.22	12.51	9.64	9.40	16.95
	Dec	11.26	10.15	12.14	9.59	9.23	16.67
1994	Jan	11.19	11.12	12.08	9.80	9.29	16.63

Source: 1) Bank of Namibia
2) South African Reserve Bank

TABLE 18. HOLDINGS OF GOVERNMENT OF NAMIBIA TREASURY BILLS: N\$'000

MONTH	Bank of Namibia	Deposit Money Banks	Other Banking Institutions	Other Public Enterprises	Private Sector	TOTAL
1991 May	0.0	3760.0	0.0	0.0	6250.0	10010.0
June	0.0	420.0	0.0	0.0	4580.0	5000.0
July	0.0	0.0	0.0	0.0	5000.0	5000.0
Aug	0.0	8920.0	1070.0	0.0	10.0	10000.0
Sep	0.0	5000.0	0.0	0.0	0.0	5000.0
Oct	0.0	2340.0	0.0	0.0	2660.0	5000.0
Nov	0.0	9980.0	0.0	0.0	20.0	10000.0
Dec	0.0	14000.0	0.0	0.0	1150.0	15150.0
Sub-Total	0.0	44420.0	1070.0	0.0	19670.0	65160.0
1992 Jan	0.0	2920.0	0.0	0.0	2080.0	5000.0
Feb	0.0	9970.0	0.0	0.0	30.0	10000.0
Mar	0.0	3880.0	0.0	0.0	1120.0	5000.0
Apr	0.0	5000.0	0.0	0.0	0.0	5000.0
May	0.0	10000.0	0.0	0.0	0.0	10000.0
June	0.0	4990.0	0.0	0.0	10.0	5000.0
July	0.0	7930.0	0.0	0.0	2070.0	10000.0
Aug	0.0	10000.0	0.0	0.0	0.0	10000.0
Sep	0.0	20000.0	0.0	0.0	0.0	20000.0
Oct	0.0	6320.0	0.0	0.0	13680.0	20000.0
Nov	0.0	34000.0	60.0	0.0	5940.0	40000.0
Dec	0.0	30000.0	0.0	0.0	50.0	30050.0
Sub-total	0.0	145010.0	60.0	0.0	24980.0	170050.0
1993 Jan	0.0	41000.0	0.0	0.0	9000.0	50000.0
Feb	0.0	14380.0	3000.0	10000.0	7620.0	35000.0
Mar	0.0	7910.0	0.0	0.0	52090.0	60000.0
Apr	0.0	22350.0	5000.0	0.0	2650.0	30000.0
May	0.0	3360.0	0.0	10000.0	16640.0	30000.0
June	0.0	6140.0	3000.0	10000.0	5860.0	25000.0
June	0.0	38000.0	0.0	0.0	0.0	38000.0
July	0.0	47000.0	0.0	0.0	3000.0	50000.0
Aug	0.0	25590.0	5000.0	5000.0	14410.0	50000.0
Aug	0.0	12200.0	0.0	0.0	46500.0	58700.0
Sep	0.0	13000.0	0.0	4010.0	27990.0	45000.0
Sep	0.0	26320.0	0.0	5000.0	23680.0	55000.0
Oct	0.0	40000.0	150.0	1850.0	8000.0	50000.0
Nov	0.0	38480.0	0.0	5000.0	6520.0	50000.0
Dec	0.0	37170.0	0.0	5000.0	7830.0	50000.0
Dec	0.0	42040.0	0.0	11150.0	6810.0	60000.0
Sub-total	0.0	414940.0	16150.0	67010.0	238600.0	736700.0

TABLE 19. BALANCE OF PAYMENTS CURRENT ACCOUNT (a) (N\$ Million)

	1990	1991	1992	1993 (b)
1. Merchandise trade balance (2-3)	(107)	293	259	512
2. Exports fob	2,804	3,401	3,826	4,224
Diamonds	849	1,222	1,334	1,504
Other mineral products	943	808	763	838
Food and live animals	699	966	1,130	1,145
Manufactured products	262	357	536	658
Other commodities	51	48	63	79
3. Imports fob (excluding duty) (c)	(2,911)	(3,108)	(3,567)	(3,712)
4. Services (net)	(652)	(892)	(947)	(826)
Transportation (net)	(431)	(577)	(623)	(613)
Travel (net)	4	41	89	232
Insurance (net)	(45)	(49)	(71)	(80)
Business, administrative, financial and communications services (net)	-215.5	-326.5	-357.5	-363.5
Foreign development assistance	(58)	(86)	(58)	(55)
Other	(157)	(240)	(299)	(308)
Other government services (net)	35	19	15	(2)
Foreign missions in Namibia	68	60	62	49
Namibian missions abroad	(33)	(41)	(47)	(51)
5. Compensation of employees (net)	(34)	(24)	(11)	(11)
6. Investment income (net)	123	300	125	176
Income received - direct investment	9	23	27	31
- portfolio investment	364	473	398	535
- other investment	97	156	158	172
Income paid - direct investment	(181)	(197)	(346)	(437)
- dividends	(280)	(126)	(182)	(267)
- retained earnings	106	(66)	(162)	(170)
- interest	(7)	(5)	(2)	---
- portfolio investment	(62)	(94)	(63)	(72)
- other investment	(104)	(61)	(49)	(53)
7. Total goods, services and income balance (2 to 6)	(670)	(323)	(574)	(149)
8. Transfers in cash and kind (net)	675	826	1,008	839
Gov't - grants from foreign governments, international organisations and non-governmental organisations	202	282	412	323
- from SACU	605	716	748	762
- withholding taxes	40	16	23	23
- other transfers received	60	59	68	35
- transfer debits (mainly SACU)	(293)	(313)	(361)	(377)
Private - grants received by NGO's	81	82	119	71
- other transfers (net)	(20)	(16)	(1)	2
9. Total current account balance (7+ 8)	5	503	434	690

--- Indicates nil or less than N\$500 000

(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 provided to non-residents, and a surplus.

(b) Provisional

(c) 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: 1990 N\$3 155 million, 1991 N\$3 362 million, 1992 N\$3 843 million, 1993 N\$3 997 million.

Source: Bank of Namibia

TABLE 20. MERCHANDISE EXPORTS FOB BY COMMODITY GROUP (N\$ Million)

	1990	1991	1992	1993 (a)
FOOD AND LIVE ANIMALS	699	9660	1,131	1,146
LIVE ANIMALS	203	211	259	258
Cattle	103	106	107	135
Sheep and goats	97	100	136	112
Game	3	3	7	3
Other	---	2	9	8
MEAT AND MEAT PREPARATIONS	175	277	308	309
Meat - cattle	127	239	256	238
Meat - other	22	10	19	25
Meat products	26	28	33	46
FISH, LOBSTER, CRABS	295	450	534	549
Unprocessed and semi-processed fish	211	399	477	467
Lobsters and crabs	84	51	57	82
OTHER FOOD PRODUCTS	26	28	30	30
HIDES, SKINS AND WOOL	41	44	36	52
Karakul pelts and wool	17	17	13	7
Other	24	27	23	45
MINERAL PRODUCTS	1,792	2,030	2,097	2,342
Diamonds	849	1,222	1,334	1,504
Copper	208	192	222	188
Gold	50	60	66	68
Zinc	99	82	60	40
Lead	78	54	49	39
Silver	38	33	33	34
Other	470	387	333	469
MANUFACTURED PRODUCTS	262	357	556	683
Canned fish, fish meal and fish oil	145	220	311	403
Other	117	137	245	280
ELECTRICITY	10	4	6	1
TOTAL MERCHANDISE EXPORTS FOB	2,804	3,401	3,826	4,224

--- Indicates nil or less than N\$500 000

(a) Provisional

Source: Bank of Namibia

TABLE 21. RECORDED MERCHANDISE IMPORTS CIF BY COUNTRY OF IMMEDIATE ORIGIN

COUNTRY	N\$ Million				Per cent		
	1990	1991	1992	1993	1991	1992	1993
South Africa	2 706	2 852	3 133	3 304	89.9	88.2	86.9
Botswana, Lesotho, Swaziland	11	10	4	5	0.3	0.3	0.1
Other countries	291	311	416	9.7	9.8	11.7	13.0
Total	3 008	3 173	3 553	3 804	100.0	100.0	100.0

Source: Bank of Namibia

Note: 1993 figures are provisional

TABLE 22. RECORDED MERCHANDISE IMPORTS CIF BY COMMODITY GROUP

	N\$ Million				Per cent		
	1990	1991	1992	1993	1991	1992	1993
1. Food, live animals, beverages and tobacco	590.5	768.5	959.5	1 065.0	19.6	24.2	27.0
2. Mineral fuels and lubricants	331.5	302.5	280.5	285.0	11.0	9.5	7.9
3. Chemical, plastic, medical, pharmaceutical and rubber products and plastics	240.5	246.5	286.5	304.0	8.0	7.8	8.0
4. Wood, paper and paper products (includes furniture)	125.5	183.5	200.5	209.0	4.2	5.8	5.6
5. Textiles, clothing and footwear	170.5	217.5	211.5	228.0	5.7	6.8	5.9
6. Machinery, office and communications equipment, and other electrical goods	496.5	434.5	471.5	514.0	16.5	13.7	13.3
7. Vehicles and transport equipment	464.5	482.5	605.5	666.0	15.4	15.2	17.0
8. Metal and metal products not incl. above	220.5	189.5	193.5	190.0	7.3	6.0	5.4
9. All other goods	372.5	352.5	348.5	343.0	12.4	11.1	9.8
Total	3 008	3 173	3 553	3 804.0	100.0	100.0	100.0

Percentages may not add up to 100 due to rounding.

Source: Bank of Namibia

Note: 1993 figures are provisional

TABLE 23. BALANCE OF PAYMENTS CAPITAL ACCOUNT (a) (N\$ Million)

	1990	1991	1992	1993
Direct investment abroad	-4.5	-19.5	4.5	-10.5
Equity capital	---	-1.5	10.5	-1.5
Reinvested earnings	---	-7.5	-6.5	-7.5
Other capital	-4.5	-11.5	---	-2.5
Direct investment in Namibia	84.5	328.5	228.5	225.5
Equity capital	94.5	77.5	31.5	44.5
Reinvested earnings	-106.5	66.5	162.5	170.5
Other capital	96.5	185.5	35.5	11.5
Portfolio investment	-484.5	-868.5	-732.5	-571.5
Equity - assets	-534.5	-829.5	-784.5	-717.5
- liabilities	---	-11.50	---	2.5
Debt - assets	10.5	2.5	26.5	11.5
- liabilities	40.5	-30.5	26.5	133.5
Other capital - long term	94.5	125.5	57.5	131.5
Resident official sector	96.5	102.5	4.5	56.50
Assets	-3.5	-8.5	-5.5	-4.5
Drawings on loans received	187.5	169.5	18.5	67.5
Repayments on loans received	-88.5	-59.5	-9.5	-7.5
Monetary authorities	---	---	80.5	101.5
Liabilities	---	---	80.5	101.5
Banks	-15.5	-19.5	-11.5	-11.5
Liabilities	-15.5	-19.5	-11.5	-11.5
Other sectors	13.5	42.5	-16.5	-15.5
Liabilities	13.5	42.5	-16.5	-15.5
Other capital - short term	-275.5	13.5	93.5	-291.5
Resident official sector	-270.5	270.5	-12.5	-27.5
Assets	-270.5	270.5	-12.5	-27.5
Banks	9.5	-305.5	152.5	-310.5
Assets	29.5	-252.5	124.5	-226.5
Liabilities	-20.5	-53.5	28.5	-84.5
Other sectors	-14.5	48.5	-47.5	46.5
Assets	-48.5	41.5	-51.5	42.5
Liabilities	34.5	7.5	4.5	4.5
CAPITAL ACCOUNT BALANCE EXCLUDING RESERVES (c)	-585.5	-421.5	-350.5	-516.5
Net errors and omissions (d)	675.5	-116.5	-103.5	-70.5
OVERALL BALANCE (e)	95.5	-34.5	-19.5	104.5
RESERVES	-95.5	34.5	19.5	-104.5
Foreign exchange assets	-95.5	34.5	19.5	-104.5

--- Indicates nil or less than N\$500 000

(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 involve a reduction in foreign financial assets, an increase in foreign financial liabilities or a capital inflow (surplus).

(b) Provisional

(c) Represents net identified capital transactions other than in reserves

(d) Represents the net errors and omissions in the current and capital account

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

Source: Bank of Namibia

TABLE 24. INTERNATIONAL INVESTMENT POSITION (MARKET VALUES) (N\$ million)

	31/12/89	31/12/90	31/12/91	31/12/92	31/12/93
A. ASSETS	4 453	5 353	6 402	6 985	9 160
1. Direct investment abroad	197	202	269	255	285
1.1 Equity capital	141	143	193	174	195
1.2 Reinvested earnings	10	9	16	22	29
1.3 Claims on affiliated enterprises	46	50	60	59	61
2. Portfolio investment	3 524	4 007	5 074	5 775	7 403
2.1 Unit trusts	39	53	91	106	136
2.2 Life assurance policies	1 472	1 902	2 239	2 300	2 823
2.3 Pension fund assets	1 662	1 708	2 396	3 053	4 134
2.4 Other equity securities	17	19	22	18	22
2.5 Debt securities	334	325	326	298	288
3. Other assets	622	939	888	803	1 018
3.1 Currency & deposits of banks	309	280	535	419	649
3.2 Other assets	313	659	353	384	369
4. Reserve assets	110	205	171	152	454
4.1 Currency and deposits	98	193	159	141	440
4.2 Securities	12	12	12	11	14
B. LIABILITIES	6 750	7 202	7 726	8 566	9 330
1. Direct investment in Namibia	4 954	5 261	5 782	6 479	7 050
1.1 Equity	3 888	4 204	4 489	4 983	5 373
1.2 Reinvested earnings	769	663	728	891	1 061
1.3 Debt due to affiliated enterprises	297	394	565	605	616
2. Portfolio investment	537	568	503	545	683
2.1 Equity securities	80	71	36	53	57
2.2 Debt securities - General government	457	497	467	492	626
3. Other liabilities	1 259	1 373	1 441	1 542	1 597
3.1 General government	216	320	438	26	86
3.2 Monetary authorities	—	—	—	502	603
3.3 Banks	349	314	242	260	165
3.4 Other sectors	694	739	761	754	743

— Indicates nil or less than N\$500 000

(a) Provisional

Source: Bank of Namibia

TABLE 25. BALANCE OF PAYMENTS ESTIMATES 1990 TO 1993: FOREIGN DEVELOPMENT ASSISTANCE TO NAMIBIA

Type of Development Assistance	1990			1991			1992			1993		
	Nam Gov't	Other	Total	Nam Gov't	Other	Total	Nam Gov't	Other	Total	Nam Gov't	Other	Total
1. ALL GRANTS - CASH AND KIND (1+2)	202	81	283	282	82	364	413	119	532	323	70	393
1.1 CASH GRANTS	70	70	140	173	67	240	285	92	377	235	58	293
1.1.1 Budget Support to Government (ie channelled through State Revenue Fund)	62	0	62	156	0	156	113	0	113	104	0	104
1.1.1.1 For capital projects	40	0	40	84	0	84	52	0	52	74	0	74
1.1.1.2 Recurrent expenditure	10	0	10	72	0	72	58	0	58	0	0	0
1.1.1.3 Other purpose (not specified)	12	0	12	0	0	0	2	0	2	30	0	30
1.1.2 Non-budget support to Government: projects (ie financed outside of budget)	8	0	8	17	0	17	172	0	172	131	0	131
1.1.3 Grants to Namibian Non-Government Organisations	0	70	70	0	67	67	0	92	92	0	58	58
1.2 IN KIND GRANTS	132	11	143	109	15	124	128	27	155	88	12	100
1.2.1 Goods	(a)74	2	76	21	1	22	65	16	81	20	4	24
1.2.2 Services (including technical assistance)	50	8	58	74	12	86	48	10	58	49	6	55
1.2.3 Educational scholarships	8	1	9	14	2	16	15	1	16	19	2	21

NOTE: (a) Includes N\$ 65 million donation of UNTAG vehicles and equipment.

Source: Bank of Namibia

TABLE 26. FOREIGN EXCHANGE RATES (NAMIBIA DOLLAR PER FOREIGN CURRENCY)

FIVE MAJOR CURRENCIES	1992	1993				1993
		I	II	III	IV	
US dollar	3.014	3.179	3.234	3.407	3.375	3.375
German mark	1.905	1.928	1.960	2.100	1.974	1.974
Pound sterling	4.673	4.638	4.887	5.194	5.033	5.033
Japanese Yen	0.024	0.027	0.030	0.032	0.031	0.031
Swiss franc	2.119	2.089	2.196	2.401	2.305	2.305

*Source: South African Reserve Bank
(end of period rates)*

