

# KWAZULU-NATAL PROVINCIAL TREASURY IGR UNIT

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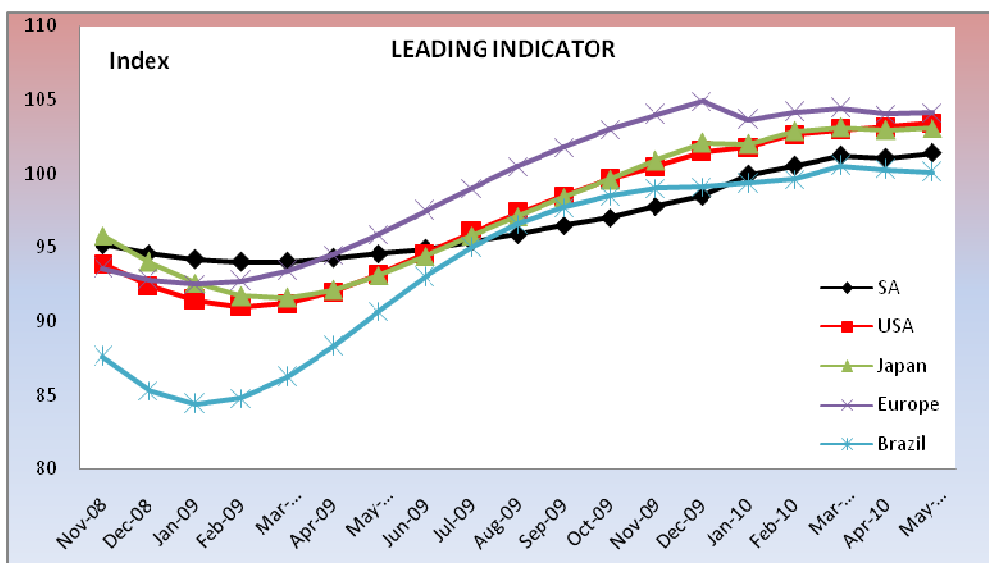
## MONTHLY ECONOMIC NEWS LETTER August 2010

### World Economic Snippets:

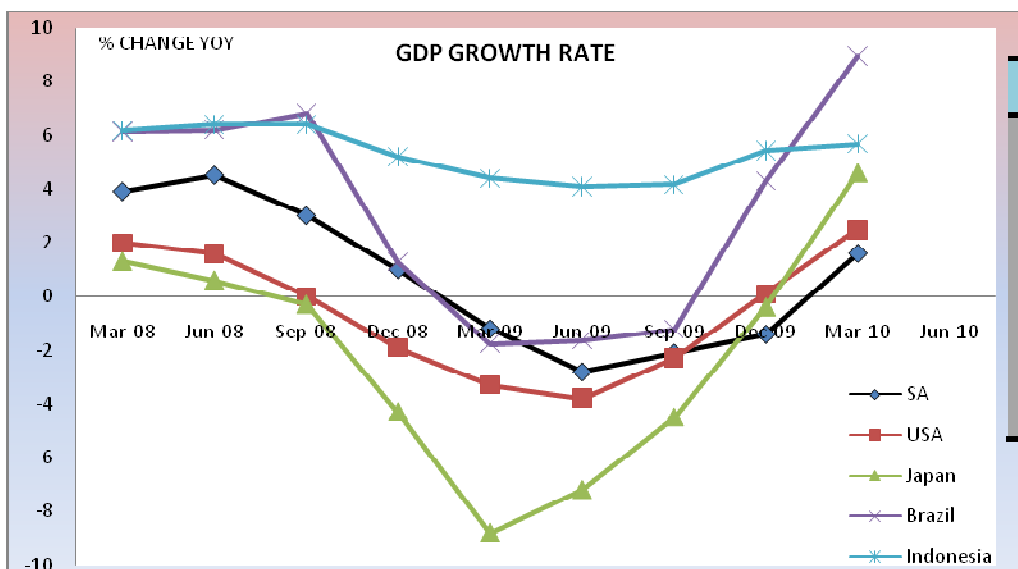
- India is an emerging economy and the 3<sup>rd</sup> largest economy in terms of purchasing power
- Economic expansion largely based on the outsourcing of work from developed countries and a strong manufacturing and export oriented industrial framework
- Goldman Sachs, the Global Investment Bank, predicts that by 2035 India would be the third largest economy of the world just after US and China.
- An attractive destinations for business and investment opportunities due to huge manpower base, diversified natural resources and strong macro-economic fundamentals
- An investor-friendly environment through a liberalised policy framework spanning the whole economy
- India's economy has grown by 8.8 per cent from April 2010 to June 2010 against 8.6 percent from January 2010 to March 2010.
- High growth in the manufacturing and services sector

Source: Various Sources including Economywatch.com and Commodityonline.com

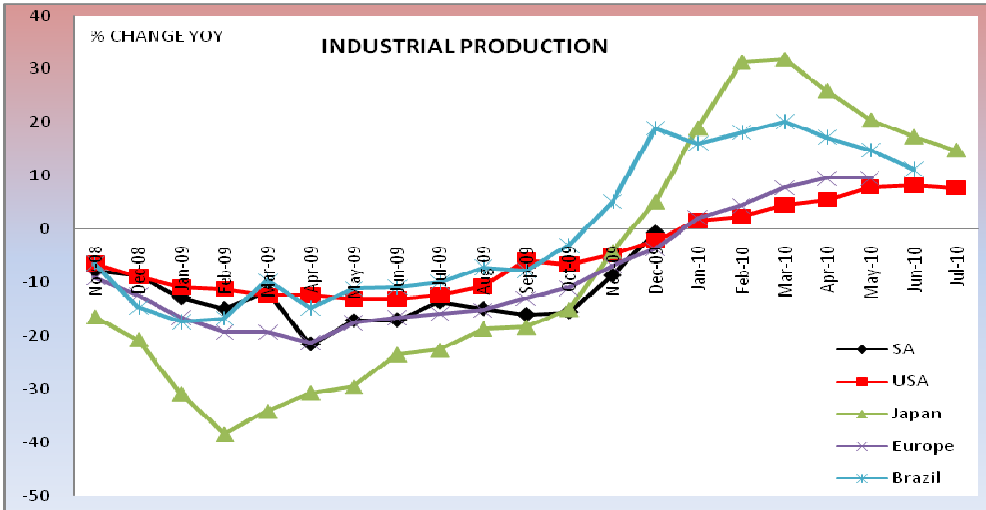
### MACROECONOMIC INDICATORS



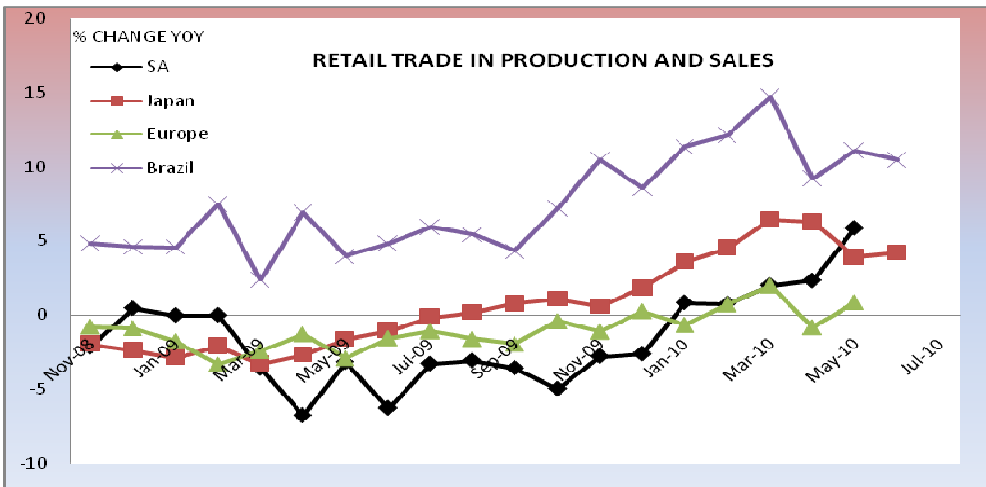
	Apr-10	May-10
Russia	102.48	102.96
Sweden	103.18	104.20
India	101.51	101.25
Turkey	104.07	103.96
Hungary	101.29	100.35
Indonesia	101.36	101.37
Australia	101.48	101.47
Korea	103.78	103.43
China	103.25	103.12



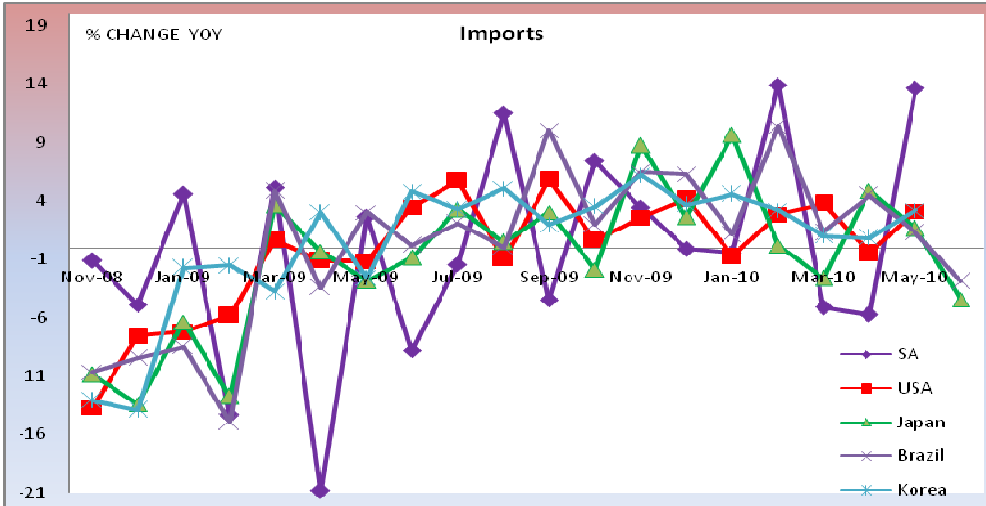
	Mar-10	Jun-10
Russia	2.90	5.20
Sweden	3.00	3.60
Brazil	8.95	-
India	7.40	-
Turkey	11.70	-
Hungary	-1.30	0.00
Australia	2.70	3.30
Korea	8.10	7.20
China	11.90	10.30



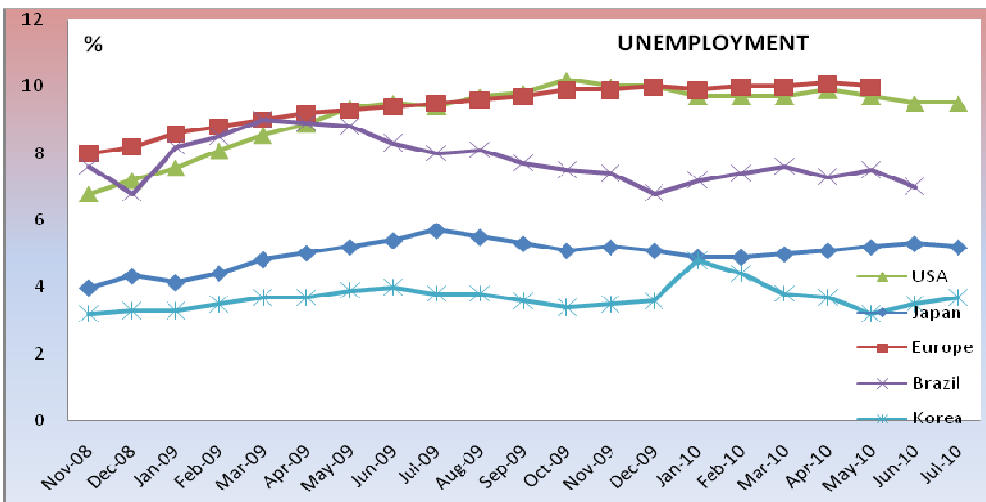
	May-10	Jun-10
Russia	12.60	9.7
Sweden	11.9	11.6
India	11.3	7.1
Turkey		
Hungary	13.7	
Indonesia		
Korea	21.5	16.9
China	16.50	13.7



	May-10	Jun-10
USA	5.35	-
Brazil	11.11	10.49
Sweden	2.30	2.57
Hungary	-5.16	-
China	3.59	4.03
Russian	5.19	5.84

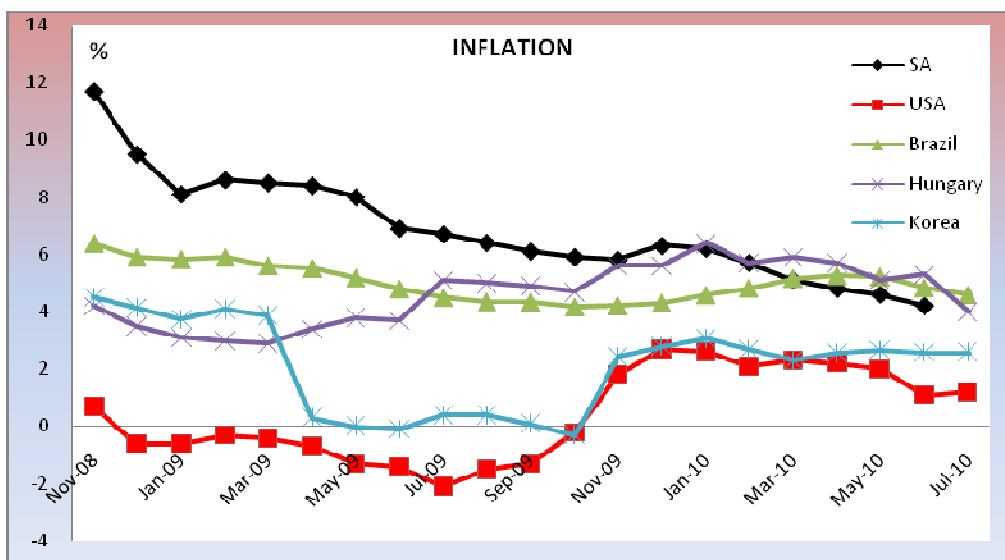


	May-10	Jun-10
Europe	-3.51	-
Sweden	6.80	-0.63
India	-	-
Turkey	-5.95	4.37
Hungary	8.23	-
Indonesia	-2.23	-
Australia	8.99	-

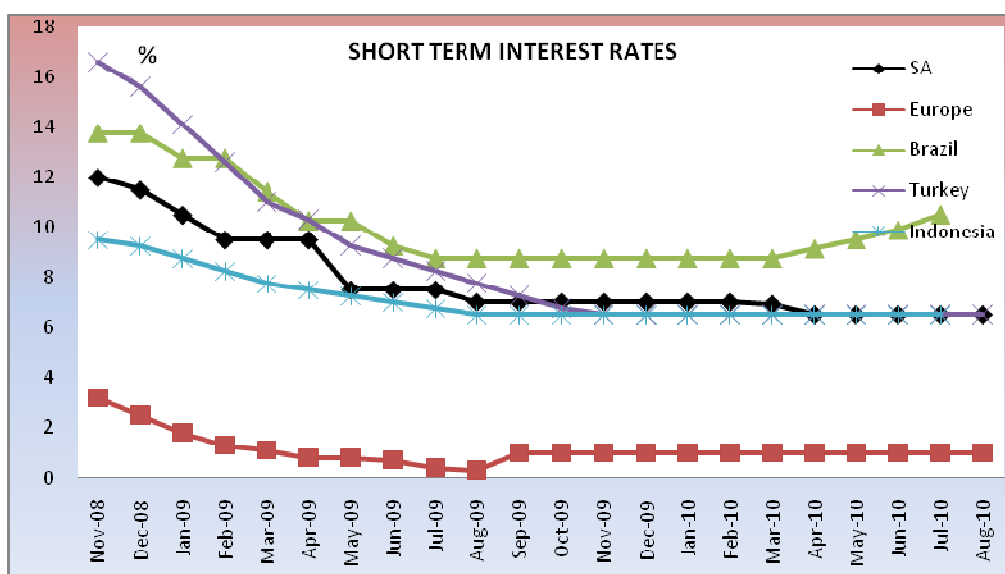


	Jun-10	Jul-10
Russia	6.80	-
Europe	-	-
Sweden	8.00	-
Hungary	5.30	5.20
Australia	5.10	5.30
South Africa	25.30	-
India	9.50	9.50

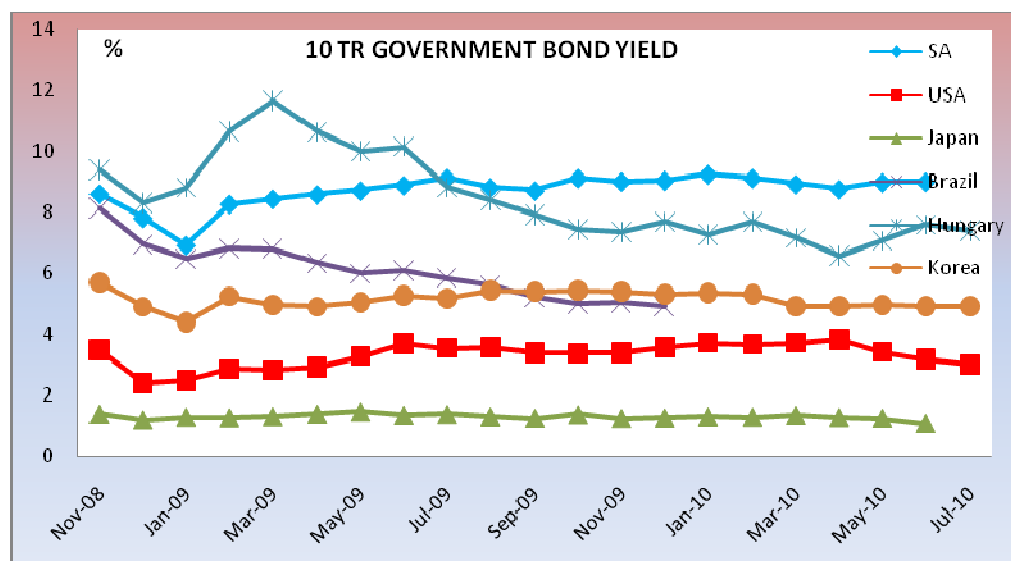
## MONETARY INDICATORS



	Jun-10	Jul-10
Japan	-0.70	-0.90
Russia	5.80	5.50
Europe	1.40	1.70
Sweden	0.90	1.10
India	13.73	-
Turkey	8.37	7.58
Hungary	5.30	4.00
Indonesia	5.05	6.22
Australia	3.10	-
China	2.90	3.30



	Jul-10	Aug-10
USA	0.25	0.25
Japan	0.10	0.10
Russia	7.75	7.75
Sweden	0.25	0.25
India	3.98	4.50
Hungary	5.29	5.25
Australia	4.50	4.50
Korea	2.25	2.25
China	5.31	5.31



	Jun-10	Jul-10
Russia	7.63	-
Sweden	2.61	2.7
Brazil	-	-
India	-	-
Hungary	7.6	7.39
Australia	5.33	5.14
China	-	-

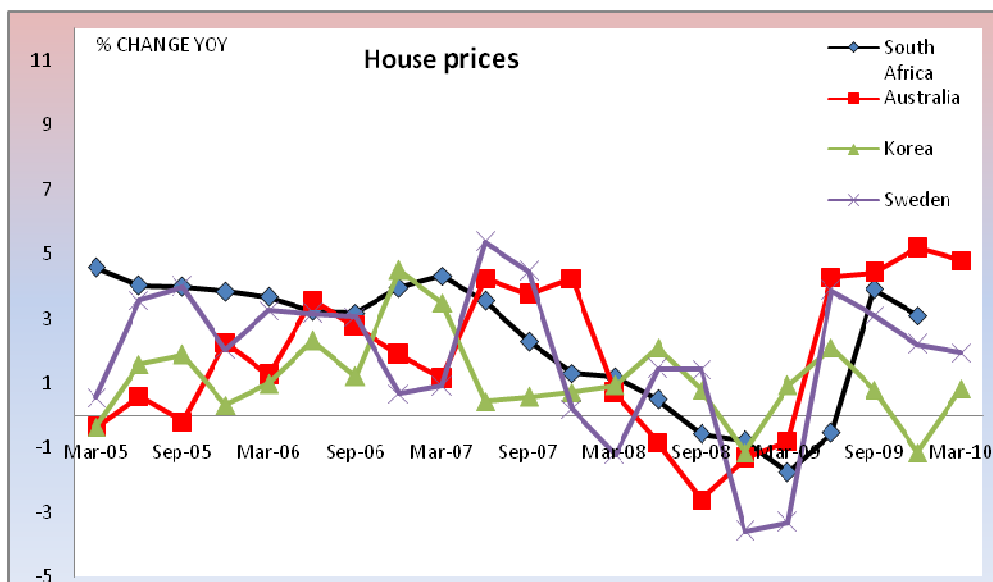
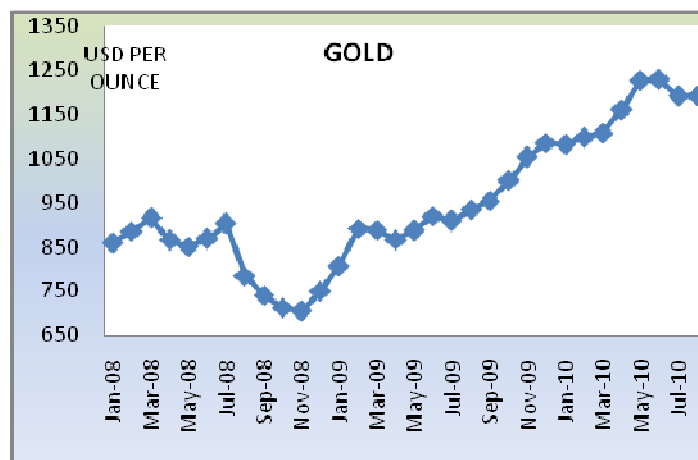
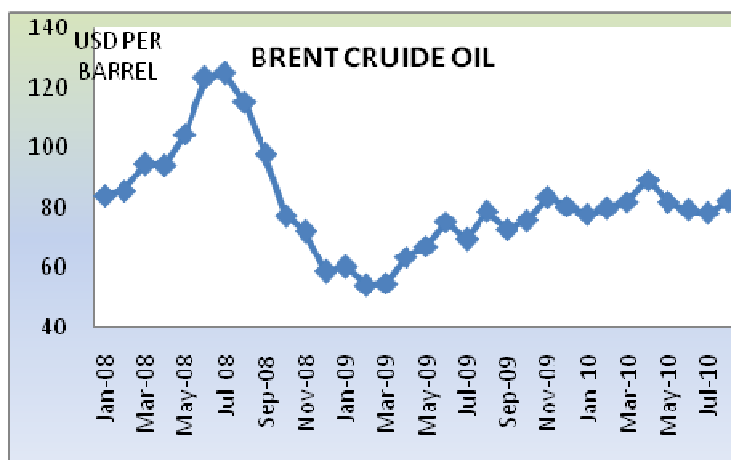
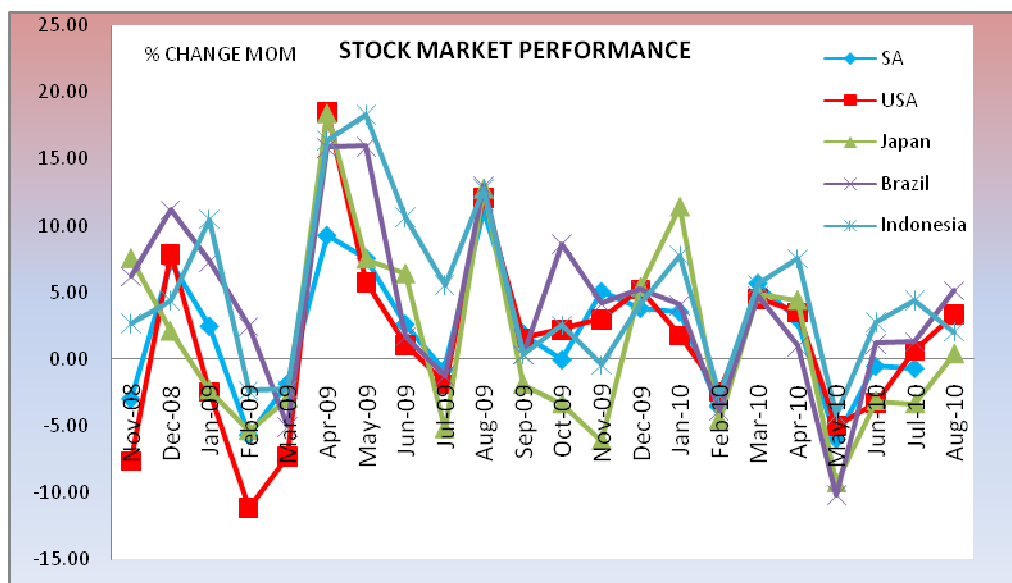
## EXCHANGE RATES (PER 1 USD END OF THE MONTH)

	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10
SA	7.78	7.34	7.25	7.55	7.51	7.43	7.31
Japan	88.99	101.35	93.18	92.47	91.44	86.57	86.47
Russia	30.55	29.33	29.15	30.51	31.16	30.41	30.60
Europe	0.73	1.35	1.35	1.24	1.23	1.29	1.33

<b>Sweden</b>	7.11	7.17	7.20	7.75	7.77	7.31	7.45
<b>Brazil</b>	1.86	1.80	1.76	1.80	1.79	1.78	1.77
<b>India</b>	46.08	45.50	44.29	45.21	46.19	46.95	46.77
<b>Turkey</b>	1.54	1.54	1.49	1.55	1.57	1.52	1.52
<b>Hungary</b>	197.35	194.75	197.78	224.33	227.33	222.99	220.32
<b>Indonesia</b>	9354.54	9108.00	9032.00	9100.00	9150.00	9042.00	8949.00
<b>Australia</b>	1.12	0.92	0.93	0.89	0.87	0.90	0.89
<b>Korea</b>	1170.00	1108.85	1118.15	1130.93	1187.50	1199.15	1183.70
<b>China</b>	6.84	6.83	6.82	6.83	6.81	6.78	6.80

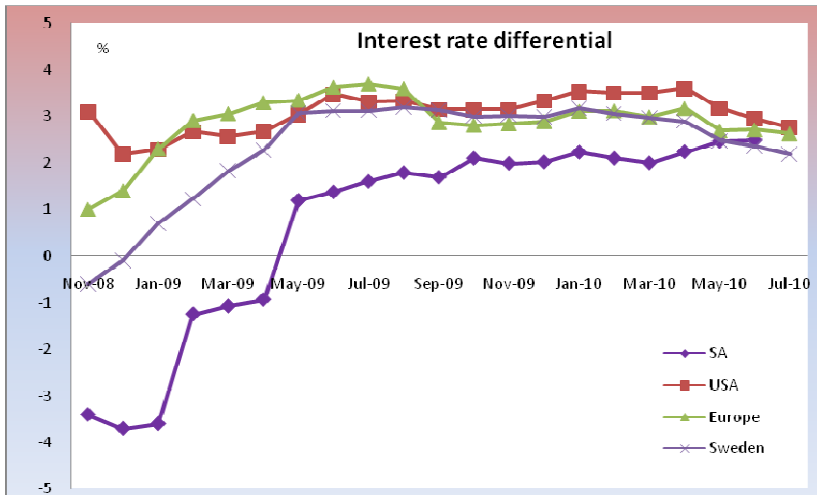
## FINANCIAL

	Jul-10	Aug-10
<b>Russia</b>	0.00	4.01
<b>Europe</b>	1.02	4.35
<b>Sweden</b>	1.57	2.51
<b>India</b>	3.17	1.72
<b>Turkey</b>	4.63	2.15
<b>Hungary</b>	3.71	4.30
<b>Australia</b>	-1.33	3.76
<b>Korea</b>	2.30	2.43
<b>China</b>	-1.89	5.38



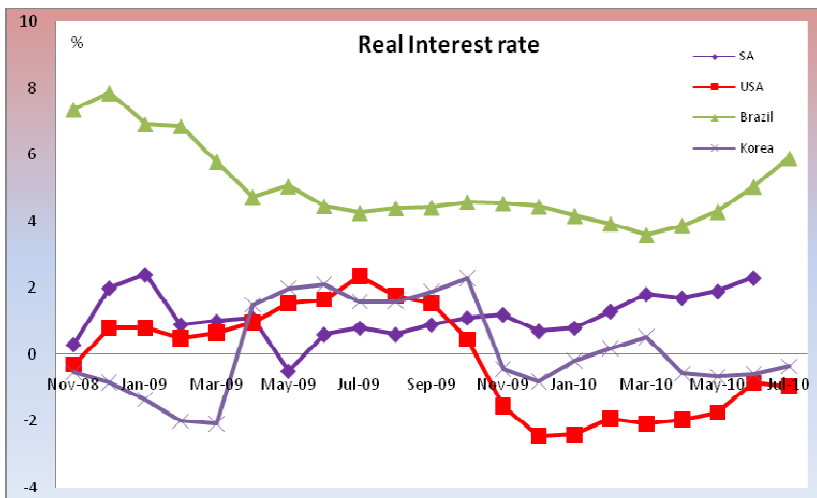
	Dec-09	Mar-10
<b>Hong Kong</b>	3.83	1.56
<b>Portugal</b>	-0.86	5.34
<b>Colombia</b>	0.84	-

## Monetary Analysis



IRD =  
Long  
term  
Interest  
rates -  
Short  
term  
interest  
rates

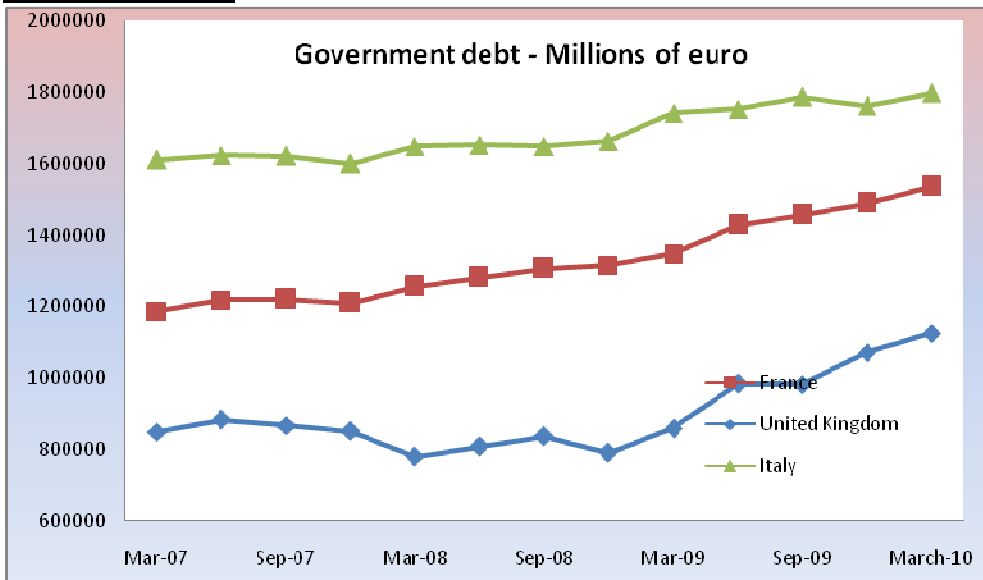
	Jun-10	Jul-10
Japan	0.98	-
Brazil	-	-
India	-	-
Turkey	-	-
Hungary	2.35	2.14
Indonesia	-	-
Korea	2.93	2.66



RIR =  
Short  
term  
Interest  
rates -  
Inflation

	Jun-10	Jul-10
Europe	-0.40	-0.70
Sweden	-0.65	-0.60
India	-9.98	-
Turkey	-1.87	-1.08
Hungary	-0.05	1.25
Indonesia	1.45	0.28
Australia	1.40	-
China	2.41	-0.35

## Fiscal Analysis



	Dec-09	Mar-10
Europe	0.76	2.59
Hungary	-0.38	4.81
France	2.17	3.12
United Kingdom	9.17	5.04
Slovenia	-0.59	6.27
Portugal	6.34	1.86
Italy	-1.46	2.07
Sweden	4.35	1.49

General government gross debt - Million EUR, % of GDP	1998	2000	2002	2004	2006	2007	2008	2009
<b>Euro area</b>	72.8	68.8	68.2	69.8	68.7	66.2	69.7	78.7
<b>Euro area (16 countries)</b>	72.9	69.2	68.0	69.5	68.3	66.0	69.4	78.7
<b>Euro area (15 countries)</b>	73.1	69.3	68.1	69.6	68.5	66.2	69.7	79.0
<b>EU (27 countries)</b>	66.4	61.9	60.4	62.2	61.4	58.8	61.6	73.6