

KWAZULU-NATAL PROVINCIAL TREASURY IGR UNIT

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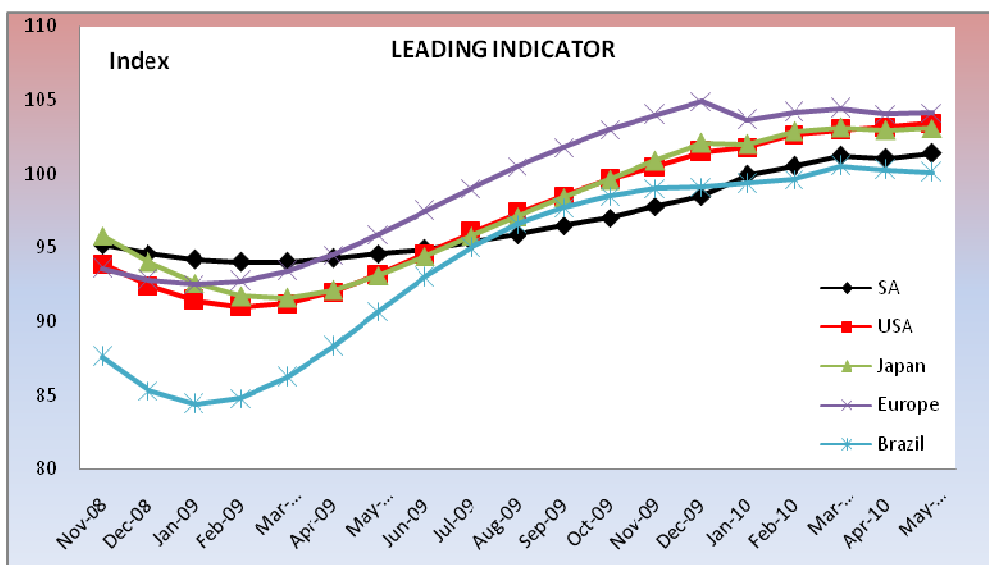
MONTHLY ECONOMIC NEWS LETTER July 2010

World Economic Snippets:

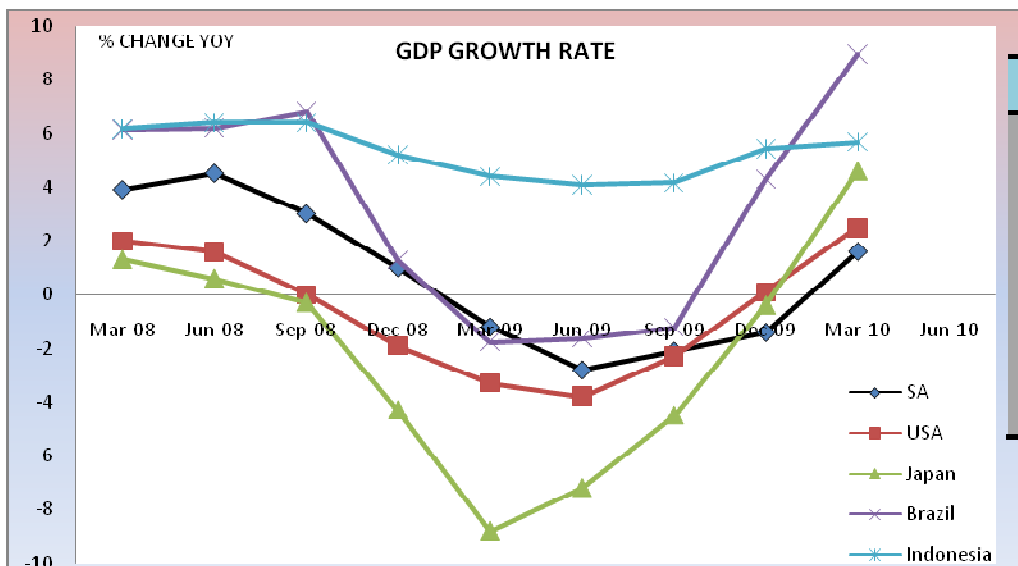
- ✿ The world economic situation has been improving since the second quarter of 2009
- ✿ The economic revival has been driven in no small part by the effects of the massive policy stimuli injected worldwide since late 2008
- ✿ The recovery is uneven and conditions for sustained growth remain fragile
- ✿ Global economic recovery is expected to remain sluggish, unemployment rates will stay high and inflation will remain low
- ✿ The crisis and the policy responses have led to a substantial widening of fiscal deficits in most countries
- ✿ Appropriate labour market and social policies can do much to promote a jobs-rich recovery
- ✿ Reforming the regulatory environment in SA by reducing entry barriers, increasing the scope for competition in network industries and reducing direct government influence on the economy, which should also widen the scope for productivity-increasing innovation in SA

Source: Various Sources including OECD and IMF

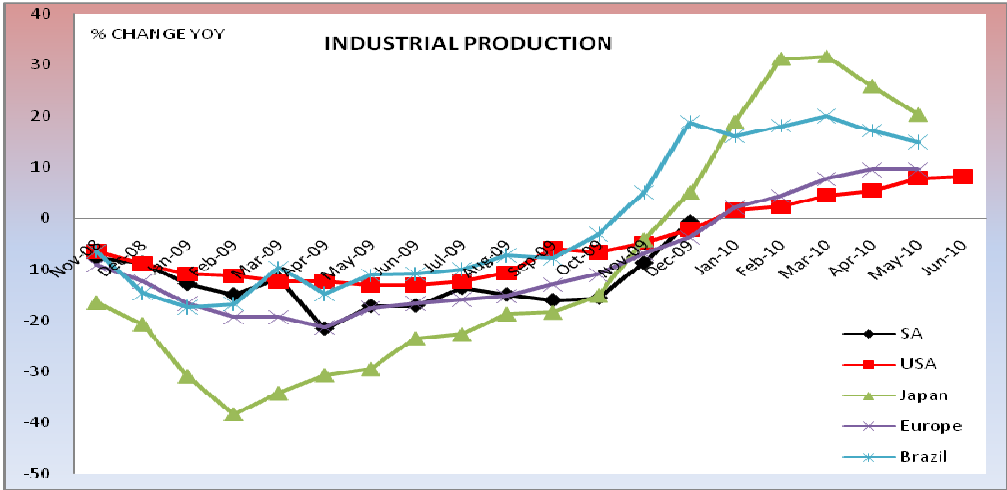
MACROECONOMIC INDICATORS



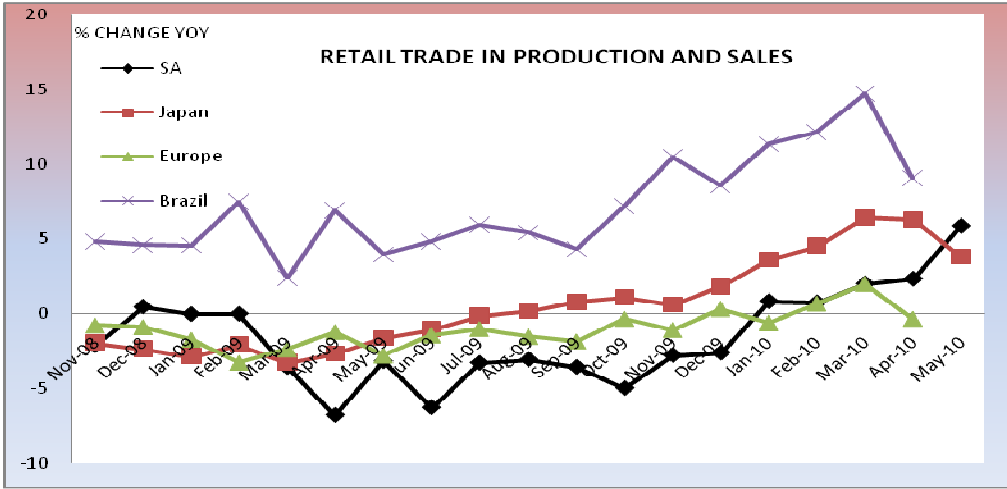
	Apr-10	May-10
Russia	102.48	102.96
Sweden	103.18	104.20
India	101.51	101.25
Turkey	104.07	103.96
Hungary	101.29	100.35
Indonesia	101.36	101.37
Australia	101.48	101.47
Korea	103.78	103.43
China	103.25	103.12



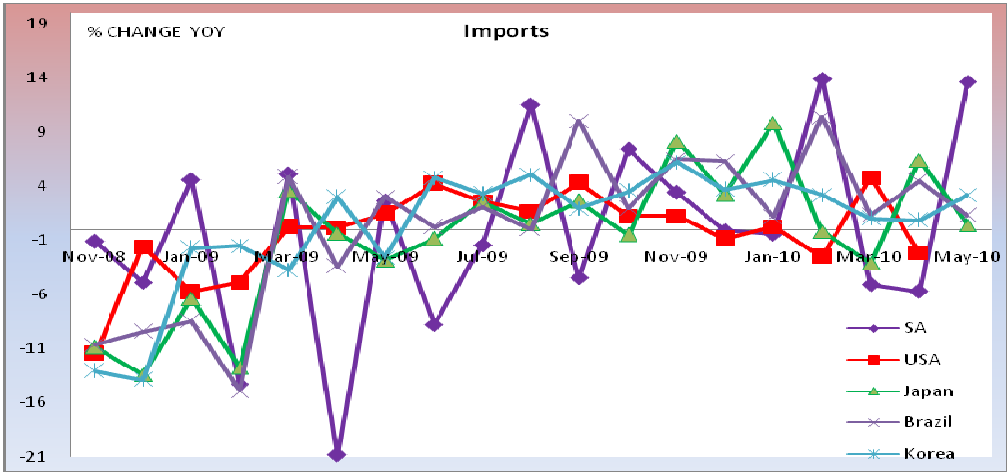
	Dec-09	Mar-10
Russia	-3.80	2.90
Sweden	-1.50	2.90
Brazil	4.29	8.95
India	6.00	7.40
Turkey	6.00	11.70
Hungary	-4.00	0.10
Australia	2.80	2.70
Korea	6.00	8.10
China	10.70	11.90



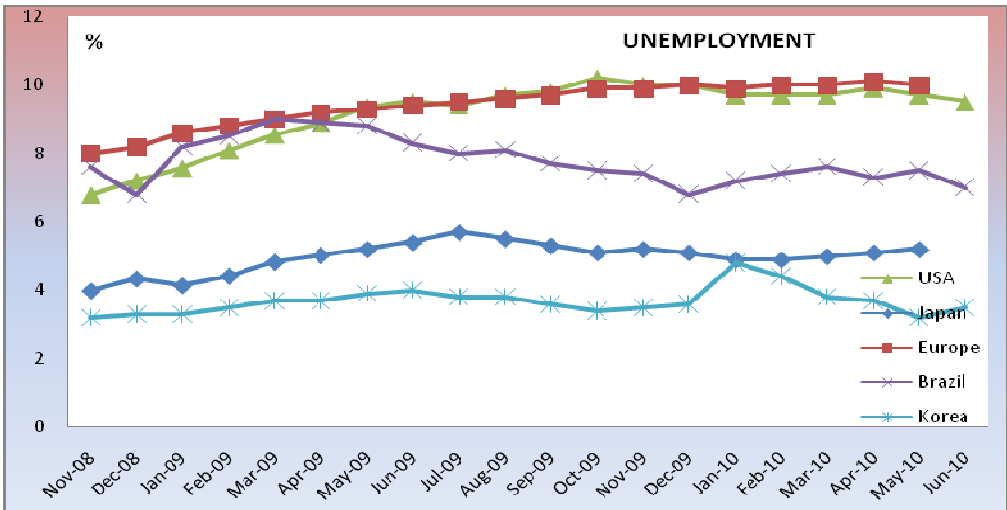
	Apr-10	May-10
Russia	10.40	12.60
Sweden	7	12.2
India	16.5	11.5
Turkey		
Hungary	9.70	13.7
Indonesia		
Korea	20.1	21.5
China	17.80	16.50



	Apr-10	May-10
USA	7.36	-
Brazil	9.11	-
Sweden	-0.84	2.39
Hungary	-	-
Korea	-	-
Russian	3.73	5.19

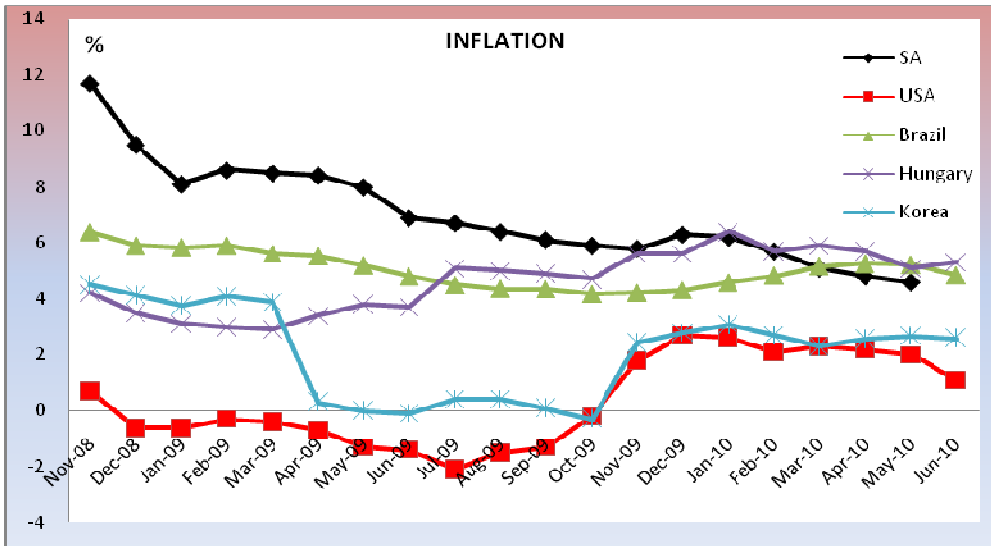


	Apr-10	May-10
Europe	-	-
Sweden	4.75	5.98
India	-	-
Turkey	1.25	-5.95
Hungary	3.15	-
Indonesia	-12.14	-2.33
Australia	0.13	8.99

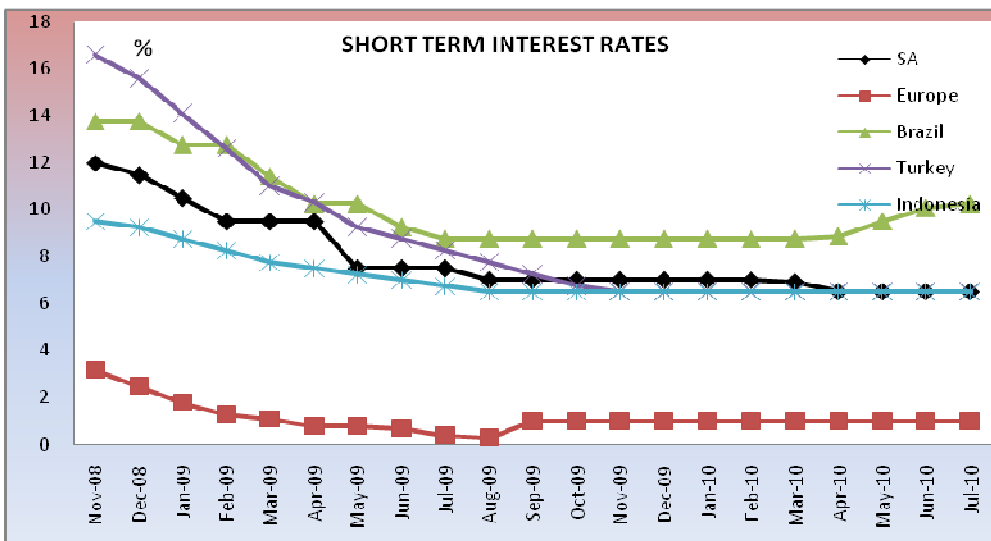


	Apr-10	May-10
Russia	7.30	6.80
Europe	10.00	-
Sweden	8.80	8.00
Hungary	11.40	-
Australia	5.10	5.10
South Africa	-	25.30
India	-	-

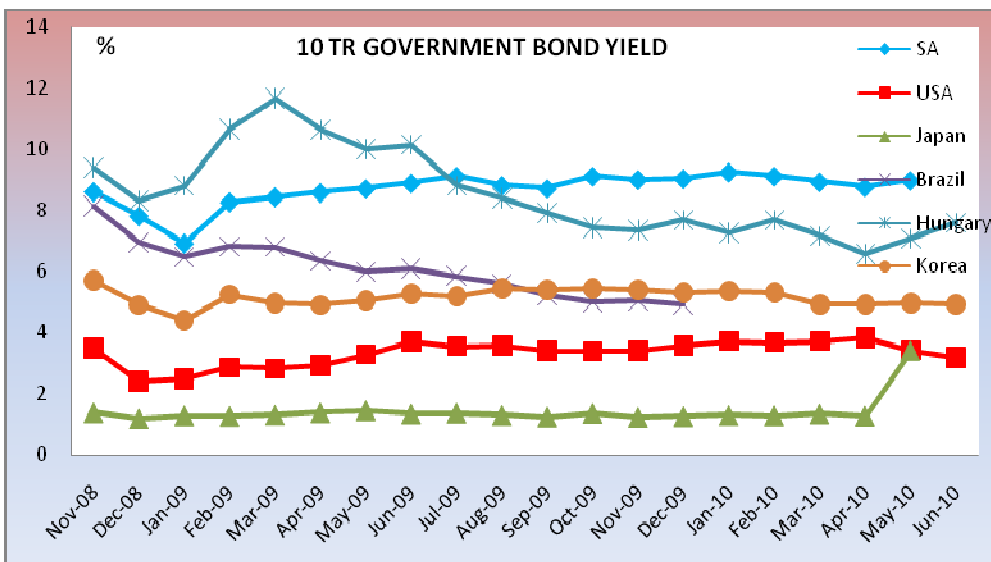
MONETARY INDICATORS



	May-10	Jun-10
Japan	-0.9	-
Russia	6	5.8
Europe	1.6	1.4
Sweden	1.2	0.9
India	13.91	-
Turkey	9.1	8.37
Hungary	5.1	5.3
Indonesia	4.16	5.05
Australia	-	-
China	3.1	2.9



	Jun-10	Jul-10
USA	0.25	0.25
Japan	0.10	0.10
Russia	7.75	7.75
Sweden	0.25	0.25
India	3.75	3.98
Hungary	5.25	5.29
Australia	4.50	4.50
Korea	2.00	2.25
China	5.31	5.31



	May-10	Jun-10
Russia	7.71	-
Sweden	2.73	2.61
Brazil	-	-
India	-	-
Hungary	7.07	7.6
Australia	5.48	5.33
China	-	-

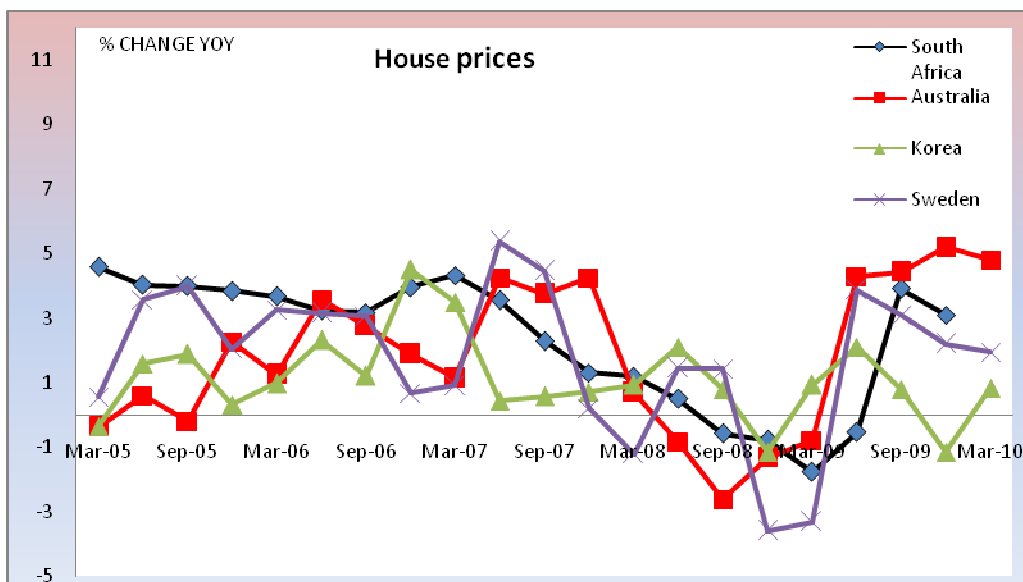
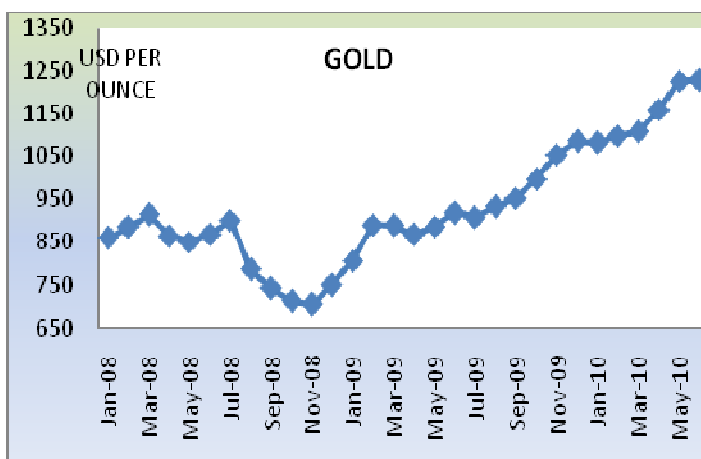
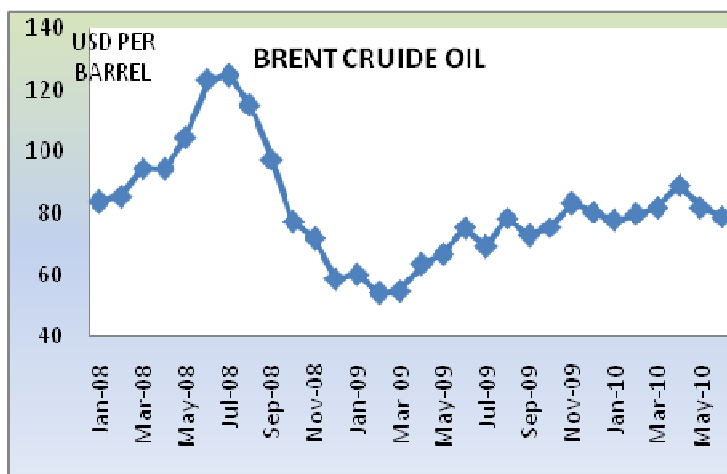
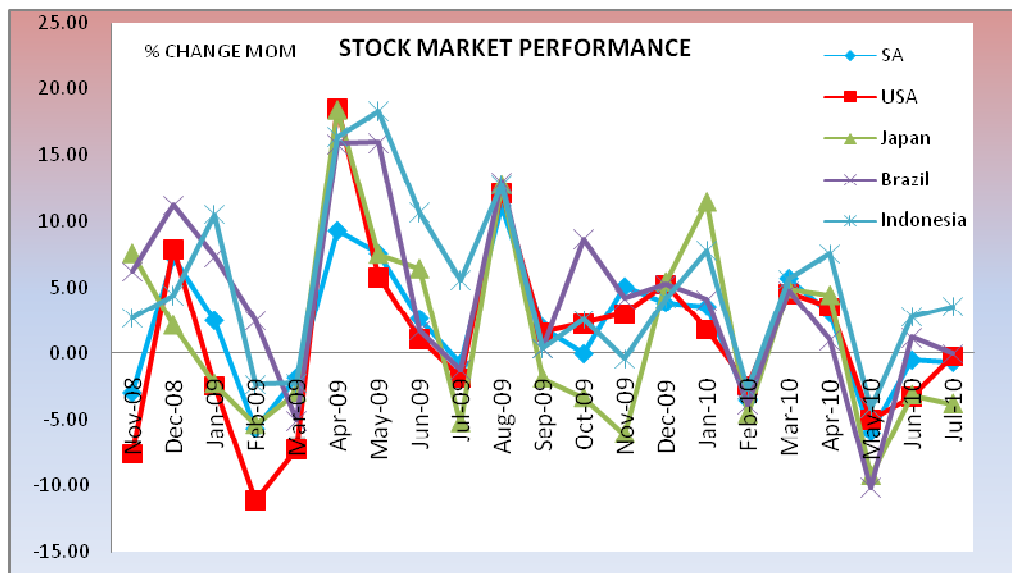
EXCHANGE RATES (PER 1 USD END OF THE MONTH)

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	June-10	July-10
SA	7.68	7.78	7.34	7.25	7.55	7.51	7.43
Japan	90.32	88.99	101.35	93.18	92.47	91.44	86.57
Russia	30.44	30.55	29.33	29.15	30.51	31.16	30.41
Europe	0.72	0.73	1.35	1.35	1.24	1.23	1.29
Sweden	7.40	7.11	7.17	7.20	7.75	7.77	7.31

Brazil	1.90	1.86	1.80	1.76	1.80	1.79	1.78
India	46.87	46.08	45.50	44.29	45.21	46.19	46.95
Turkey	1.49	1.54	1.54	1.49	1.55	1.57	1.52
Hungary	195.89	197.35	194.75	197.78	224.33	227.33	222.99
Indonesia	9450.00	9354.54	9108.00	9032.00	9100.00	9150.00	9042.00
Australia	1.13	1.12	0.92	0.93	0.89	0.87	0.90
Korea	1182.31	1170.00	1108.85	1118.15	1130.93	1187.50	1199.15
China	6.84	6.84	6.83	6.82	6.83	6.81	6.78

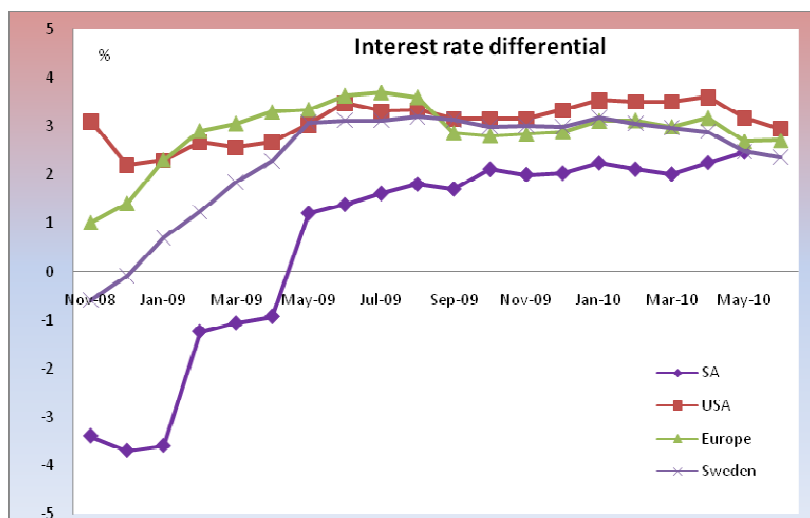
FINANCIAL

	Jun-10	Jul-10
Russia	1.89	-1.11
Europe	0.00	0.08
Sweden	3.67	1.08
India	2.70	2.94
Turkey	-0.01	3.56
Hungary	-5.78	3.28
Australia	-0.98	-2.09
Korea	2.67	1.65
China	-4.55	-3.31



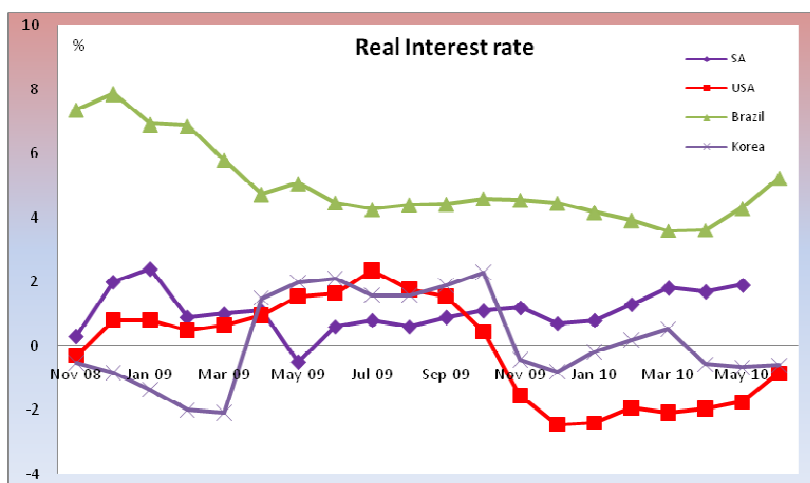
	Dec-09	Mar-10
Hong Kong	3.83	1.56
Portugal	-0.86	5.34
Colombia	0.84	-

Monetary Analysis



IRD =
 Long term
 Interest
 rates -
 Short
 term
 interest
 rates

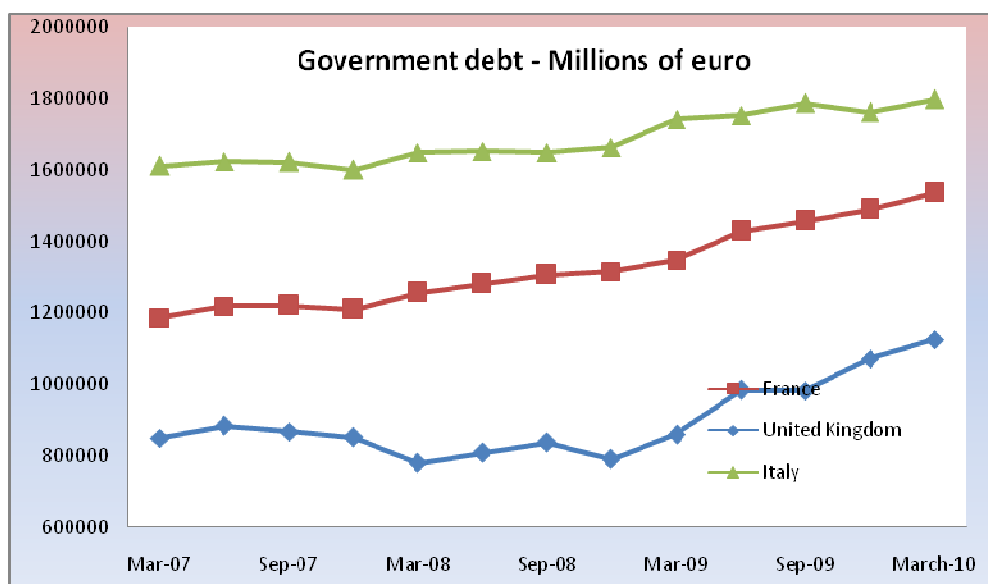
	May-10	Jun-10
Japan	3.32	-
Brazil	-	-
India	-	-
Turkey	-	-
Hungary	1.82	2.35
Indonesia	-	-
Korea	2.95	2.93



RIR =
 Short
 term
 Interest
 rates -
 Inflation

	May-10	Jun-10
Europe	-0.6	-0.4
Sweden	-0.95	-0.65
India	-10.16	-
Turkey	-2.6	-1.87
Hungary	0.15	-0.05
Indonesia	2.34	1.45
Australia	-	-
China	2.21	2.41

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
Euro area	72.8	68.8	68.2	69.8	68.7	66.2	69.7	78.7
Euro area (16 countries)	72.9	69.2	68.0	69.5	68.3	66.0	69.4	78.7
Euro area (15 countries)	73.1	69.3	68.1	69.6	68.5	66.2	69.7	79.0
EU (27 countries)	66.4	61.9	60.4	62.2	61.4	58.8	61.6	73.6