

# KWAZULU-NATAL PROVINCIAL TREASURY IGR UNIT

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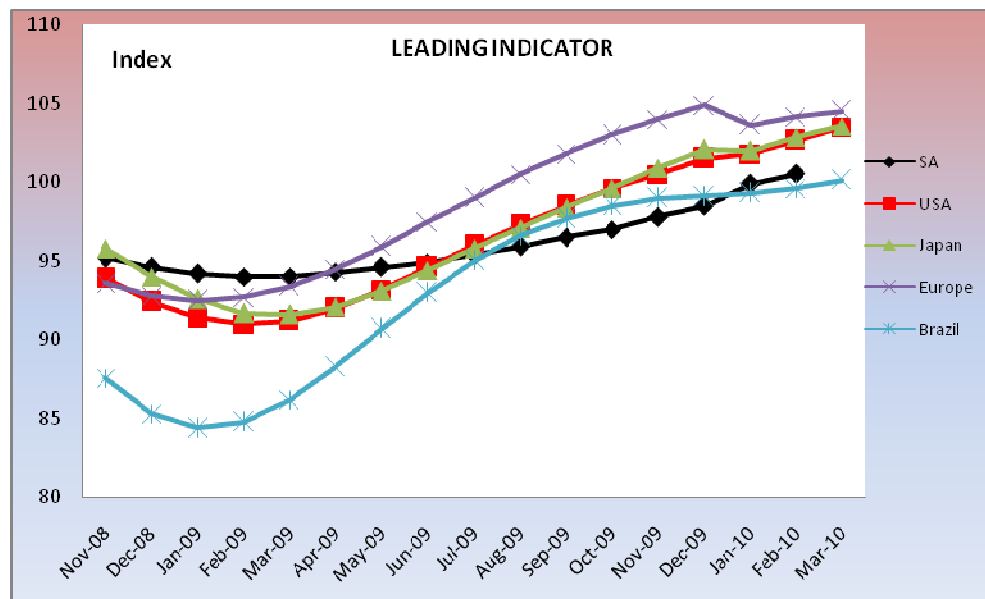
## MONTHLY ECONOMIC NEWS LETTER May 2010

### World Economic Outlook:

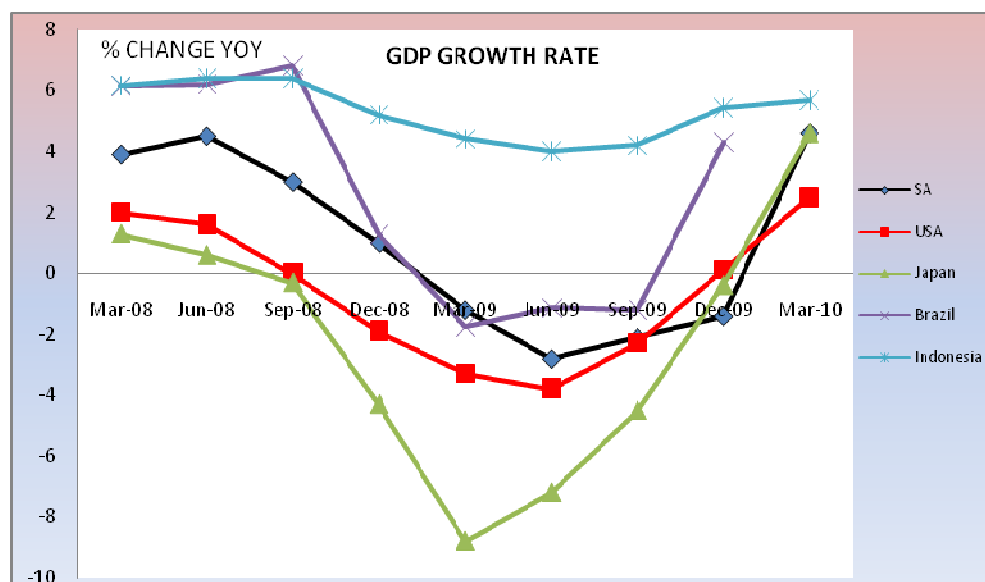
- ✿ The recovery has been stronger than expected thus far, as confidence has picked up among consumers and businesses as well as in financial markets
- ✿ Activity in emerging and developing economies is leading the way
- ✿ In a few advanced economies, rising public deficits and debt have contributed to a sharp increase in sovereign risk premiums, creating spillovers into other economies and markets.
- ✿ The still-low levels of capacity utilization and well-anchored inflation expectations are expected to keep inflation low
- ✿ In many advanced and a number of emerging economies, fiscal consolidation is a top priority and should precede the normalization of monetary policy.
- ✿ There is no single measure for broader unemployment or underemployment, but available data suggest that it can often be higher by 25 to 50 percent than headline unemployment rates

Source: IMF, April 2010

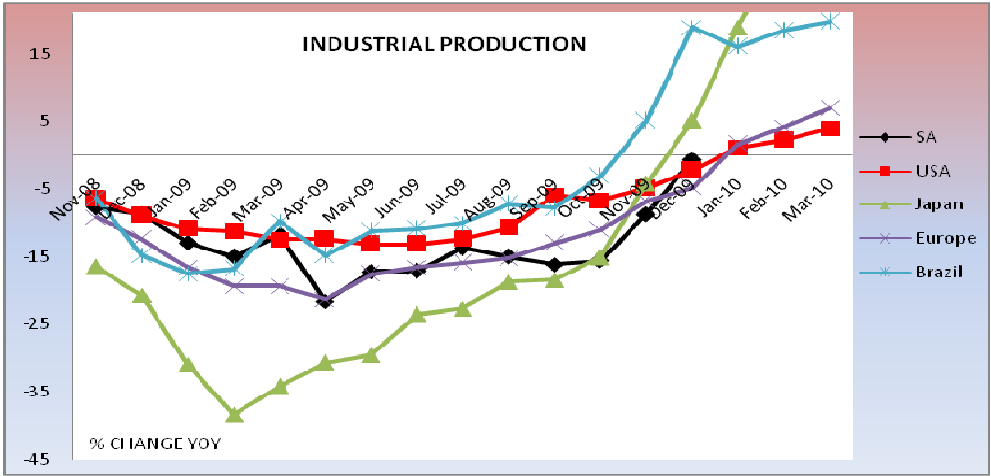
### MACROECONOMIC INDICATORS



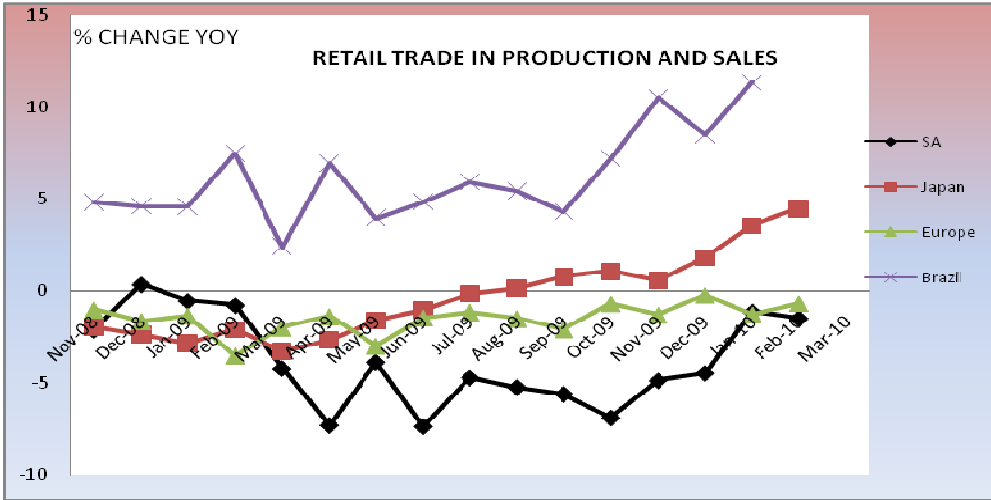
	Mar-10	Apr-10
Russia	102.67	103.10
Sweden	103.88	-
India	101.00	-
Turkey	104.56	-
Hungary	102.87	-
Indonesia	105.20	-
Australia	101.75	-
Korea	104.94	104.74
China	-	-



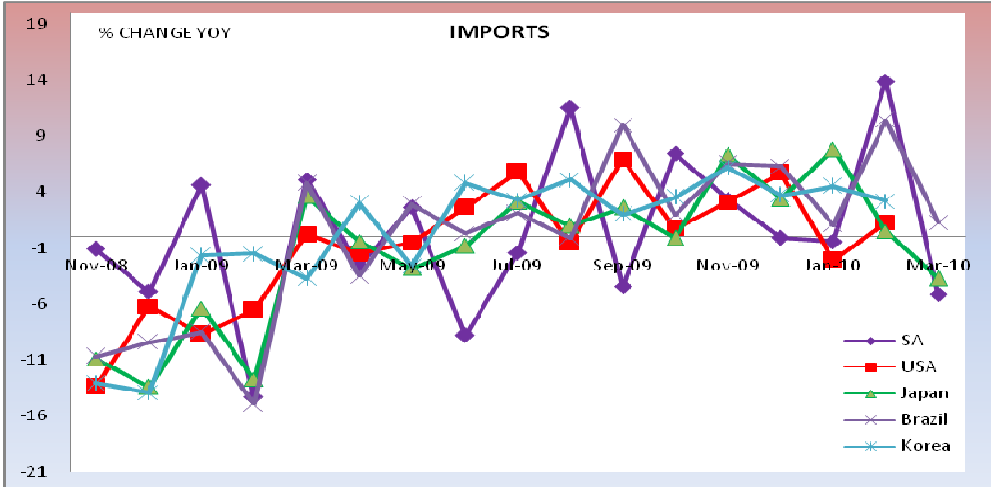
	Dec-09	Mar-10
Russia	-3.8	2.9
Sweden	-1.5	-
Brazil	4.29	-
India	6.00	-
Turkey	6	-
Hungary	-4.00	0.1
Australia	2.7	-
Korea	6.00	7.8
China	10.70	11.90



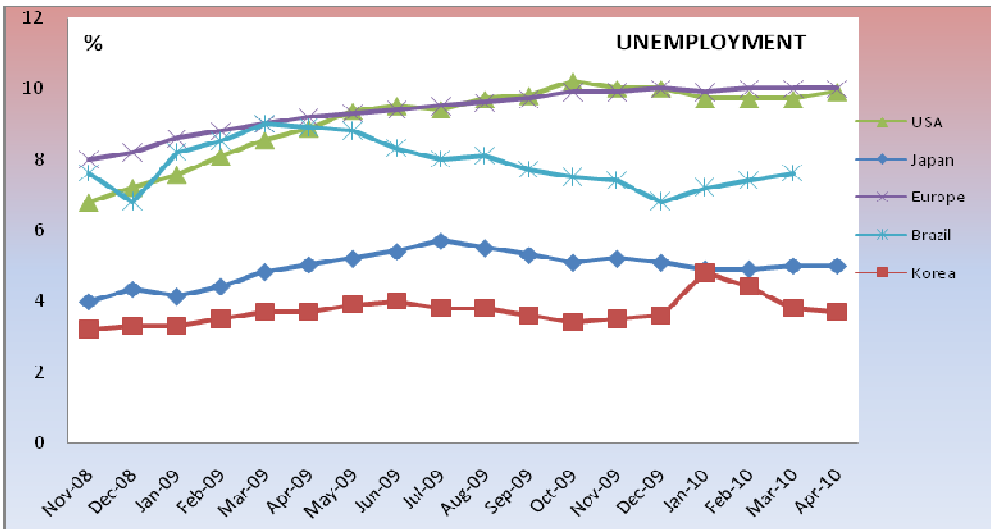
	Feb-10	Mar-10
Russia	1.90	5.70
Sweden	4.10	6.5
India	18.40	13.5
Turkey	-	-
Hungary	8.40	2.8
Indonesia	-	-
Korea	19.10	22.1
China	12.80	18.10



	Feb-10	Mar-10
USA	2.42	-
Brazil	-	-
Sweden	2.27	4.15
Hungary	-4.90	-
Korea	9.68	9.52
Russian	1.54	-

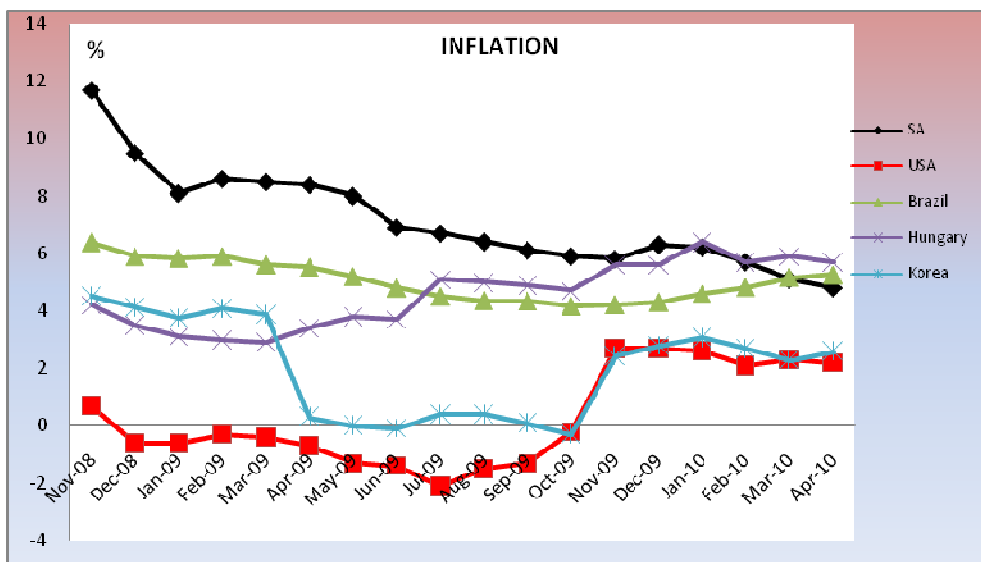


	Feb-10	Mar-10
Europe	1.90	-
Sweden	5.50	-4.30
India	-	-
Turkey	-1.50	9.30
Hungary	0.60	-
Indonesia	7.70	3.70
Australia	-2.10	4.50

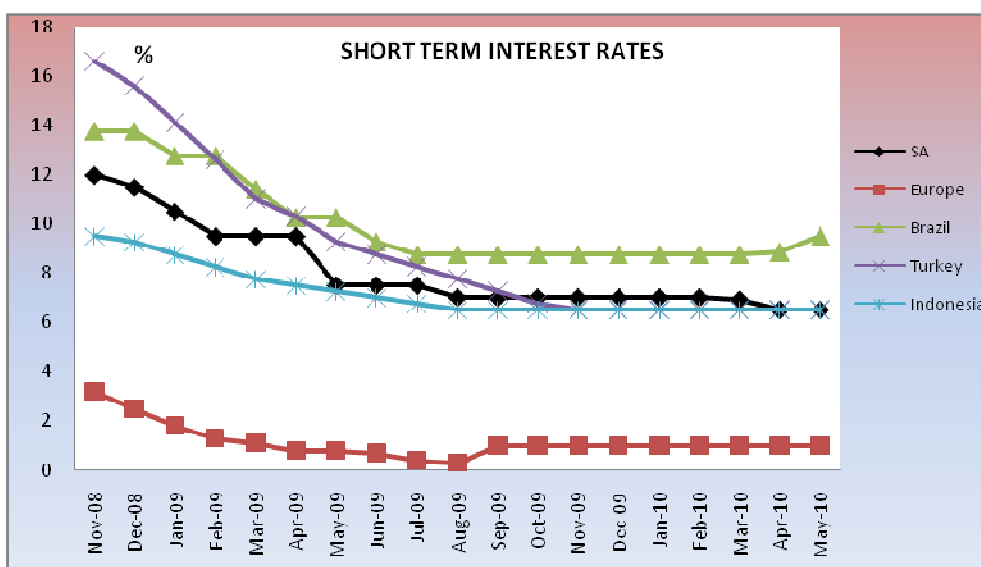


	Mar-10	Apr-10
Russia	8.60	-
Europe	10.00	10.00
Sweden	8.90	8.70
Hungary	11.80	12.00
Australia	5.40	5.40
South Africa	25.20	-
India	9.90	10.00

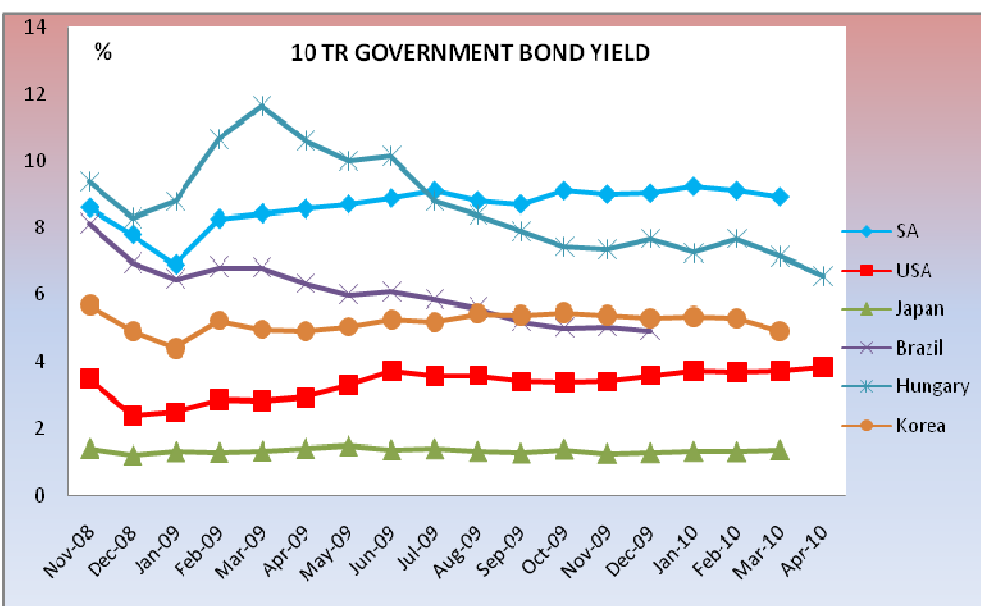
## MONETARY INDICATORS



	Mar-10	Apr-10
Japan	-	-
Russia	6.50	6.00
Europe	1.40	-
Sweden	1.20	1.00
India	-	-
Turkey	9.56	10.19
Hungary	5.90	5.70
Indonesia	3.43	3.91
Australia	-	-
China	2.40	2.80



	Apr-10	May-10
USA	0.25	0.25
Japan	0.10	0.10
Russia	8.25	8.00
Sweden	0.25	0.25
India	3.61	3.75
Hungary	5.44	5.25
Australia	4.25	4.50
Korea	2.00	2.00
China	5.31	5.31



	Mar-10	Apr-10
Russia	1.36	-
Sweden	3.2	3.14
Brazil	-	-
India	-	-
Hungary	7.16	6.57
Australia	5.76	5.79
China	-	-

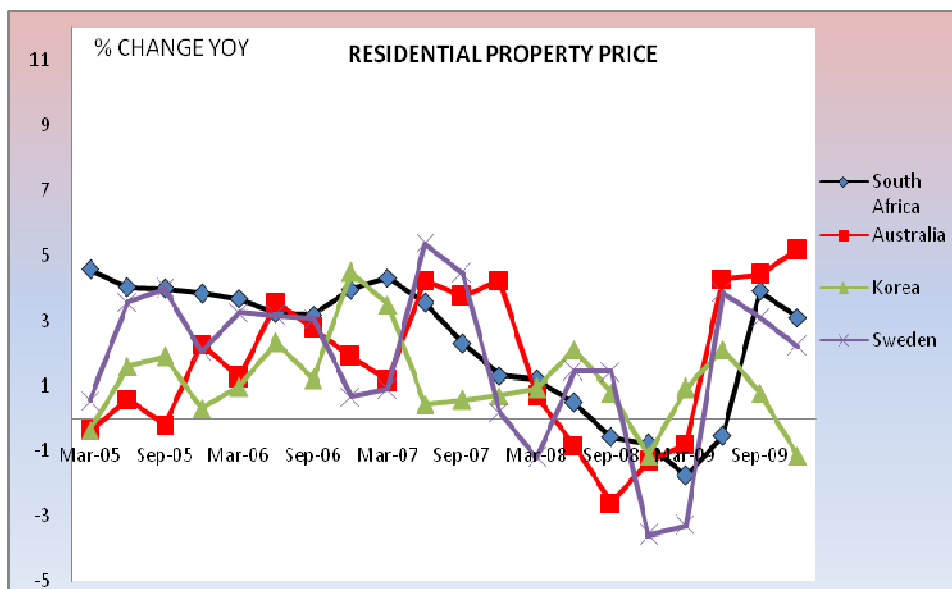
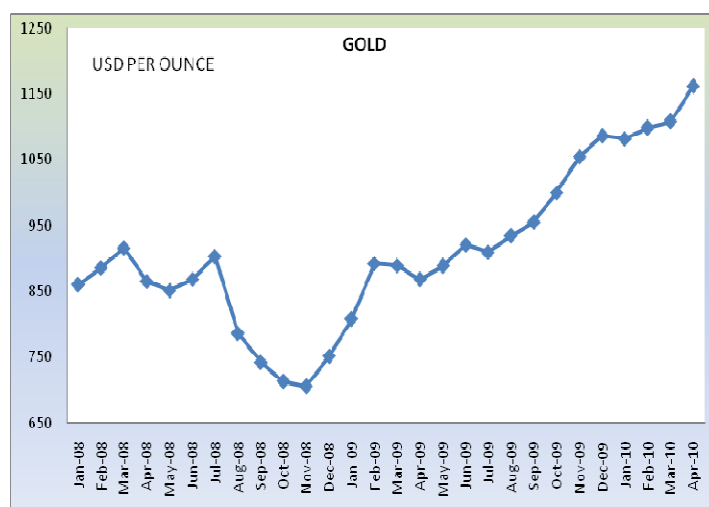
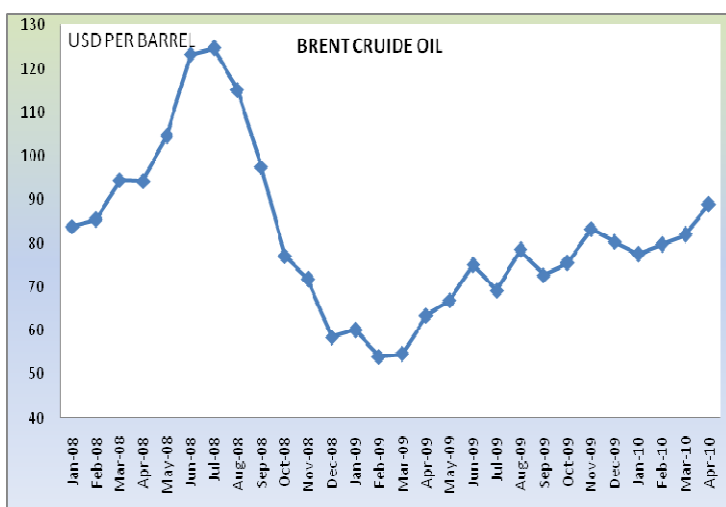
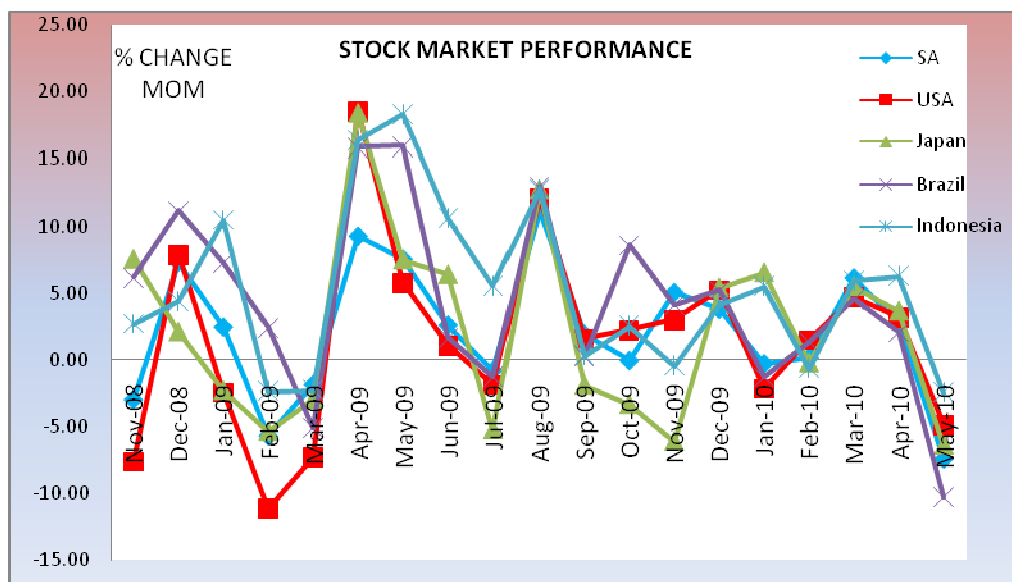
### EXCHANGE RATES (PER 1 USD END OF THE MONTH)

	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10
SA	7.45	7.42	7.68	7.78	7.34	7.25	7.55
Japan	86.66	92.24	90.32	88.99	1.35	93.18	92.47
Russia	29.21	30.27	30.44	30.55	29.33	29.15	30.51
Europe	0.67	0.70	0.72	0.73	1.35	1.35	1.24

<b>Sweden</b>	6.95	7.19	7.40	7.11	7.17	7.20	7.75
<b>Brazil</b>	1.74	1.75	1.90	1.86	1.80	1.76	1.80
<b>India</b>	46.58	46.89	46.87	46.08	45.50	44.29	40.21
<b>Turkey</b>	1.52	1.51	1.49	1.54	1.54	1.49	1.55
<b>Hungary</b>	182.55	190.21	195.89	197.35	194.75	197.78	224.33
<b>Indonesia</b>	9407.34	9416.20	9450.00	9354.54	9108.00	9032.00	9100.00
<b>Australia</b>	1.10	1.12	1.13	1.12	0.92	0.93	0.89
<b>Korea</b>	1182.59	1165.77	1182.31	1170.00	1108.85	1118.15	1130.93
<b>China</b>	6.83	6.84	6.84	6.84	6.83	6.82	6.83

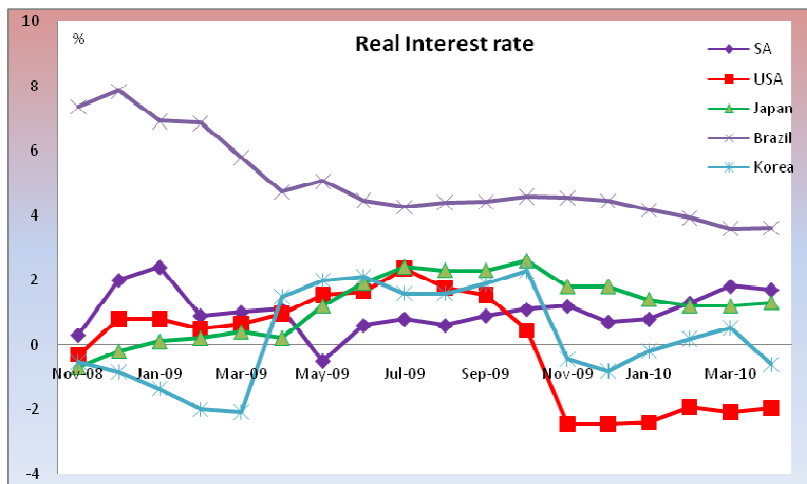
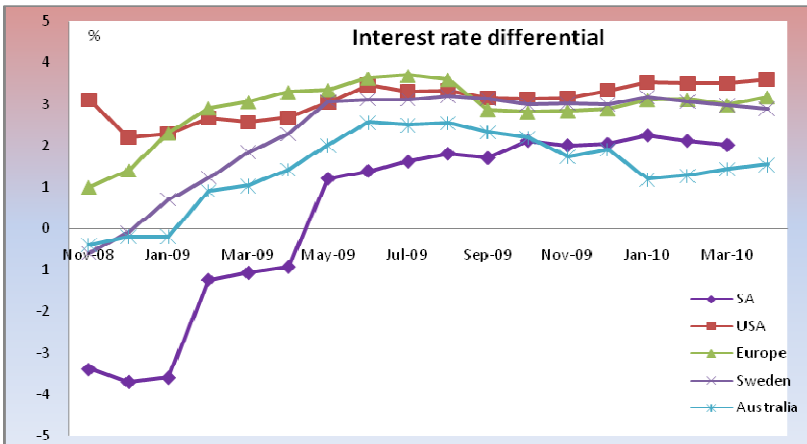
## FINANCIAL

	Apr-10	May-10
<b>Russia</b>	5.22	-8.65
<b>Europe</b>	1.93	-13.28
<b>Sweden</b>	3.35	-8.10
<b>India</b>	2.27	-3.24
<b>Turkey</b>	8.79	-7.25
<b>Hungary</b>	5.99	-10.06
<b>Australia</b>	1.90	-7.81
<b>Korea</b>	3.41	-1.85
<b>China</b>	2.00	-13.24



	Sep-09	Dec-09
<b>Hong Kong</b>	8.26	3.83
<b>Portugal</b>	-0.34	-0.86
<b>Colombia</b>	0.63	-

## Monetary Analysis



IRD =  
Long term  
Interest  
rates -  
Short  
term  
interest  
rates

	Mar-10	Apr-10
Japan	1.26	-
Brazil	-	-
India	-	-
Turkey	-	-
Hungary	1.44	1.13
Indonesia	-	-
Korea	2.09	-

RIR =  
Short  
term  
Interest  
rates -  
Inflation

	Mar-10	Apr-10
Europe	-0.40	-0.50
Sweden	-0.97	-0.75
India	-	-
Turkey	-3.06	-3.69
Hungary	-0.18	-3.69
Indonesia	3.07	2.59
Australia	1.43	-
China	2.91	2.51

## Fiscal Analysis

In **Germany**, the national debt is \$1.79 trillion. This represents **62.6** percent of Germany's gross domestic product, or GDP. In **The U.K.**, the national debt is \$42.2 trillion. This is 47.2 percent of the GDP of the U.K.

In **Russia**, the national debt is \$151.3 billion. This is **6.8** percent of the Russian GDP. **Italy** owes a national debt of \$1.89 trillion, or **103.7** percent of the Italian GDP. The national debt of **France** is \$1.40 trillion. This is **67** percent of France's GDP.

The **Japanese** national debt is \$7.47 trillion. This is **170.4** percent of the Japanese GDP. **India** has a national debt of \$2.55 trillion. This debt is **78** percent of the GDP of India.

The **United States** has a national debt of 8.68 trillion. In the U.S., this is **60.8** percent of the American GDP. The **Canadian** national debt is \$814.26 billion. In Canada, the national debt is **62.3** percent of the GDP. Argentina has a national debt of \$293.56 billion. The **Argentinean** national debt is **51** percent of the GDP of Argentina.

