

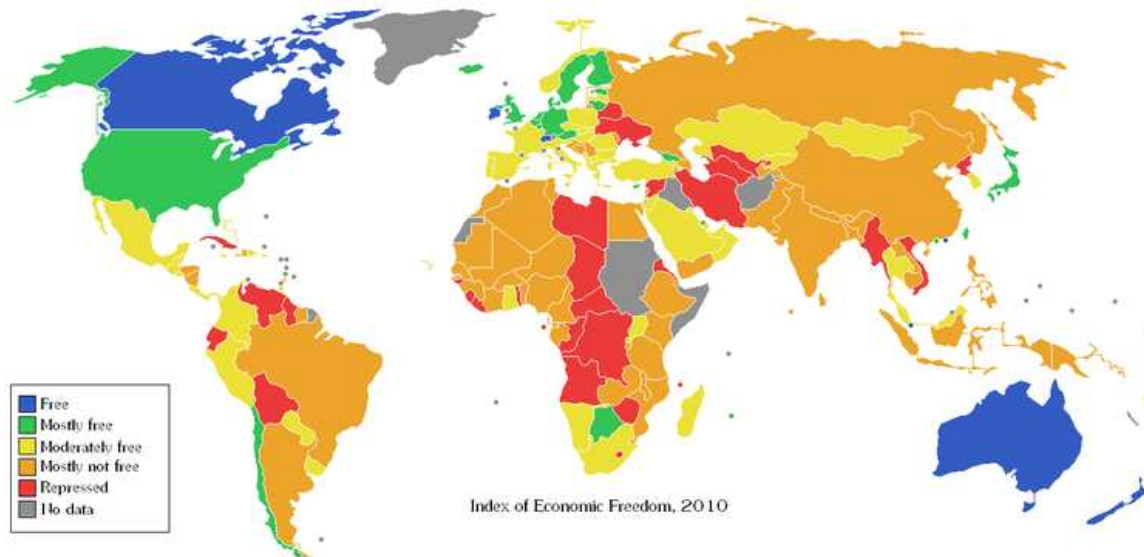
KWAZULU-NATAL PROVINCIAL TREASURY IMES UNIT

Tel: 033 897 4249



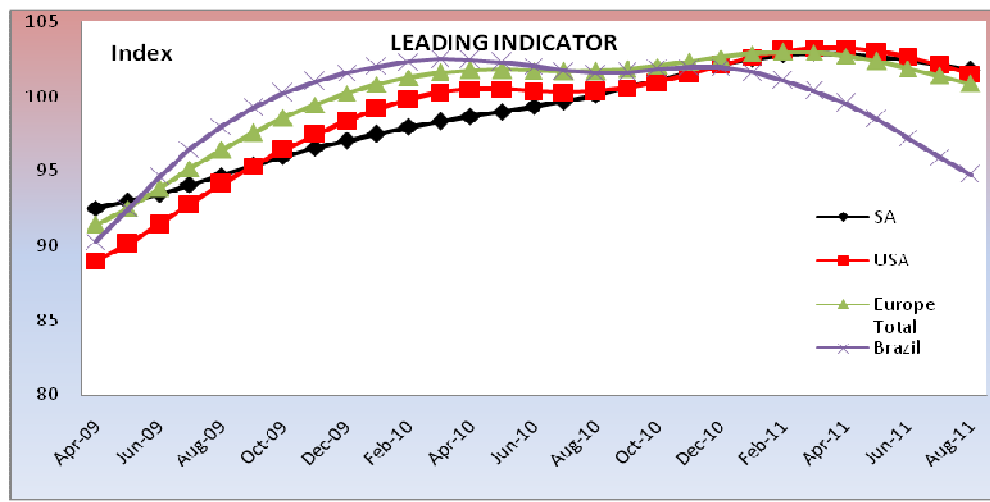
MONTHLY ECONOMIC NEWS LETTER Oct 2011

Economic freedom is a term used in economic and policy debates. As with freedom generally, there are various definitions, but no universally accepted concept of economic freedom. The free market viewpoint understands economic liberty as the freedom to produce, trade and consume any goods and services acquired without the use of force, fraud or theft. This is embodied in the rule of law, property rights and freedom of contract, and characterized by external and internal openness of the markets, the protection of property rights and freedom of economic initiative. Thus Economic Freedom and Nationalization for example are two very different things.

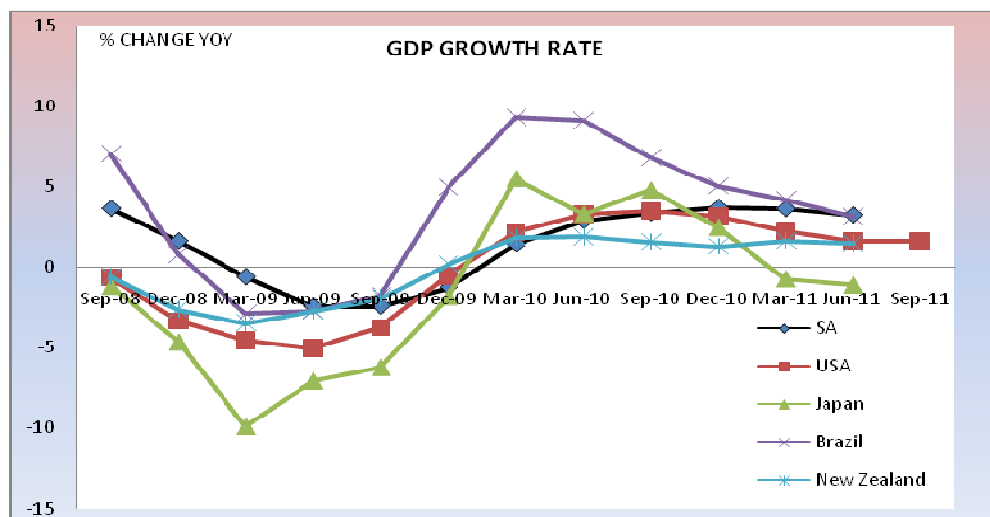


Source: James Gwartney, Joshua Hall, and Robert Lawson, *Economic Freedom of the World: 2011 Annual Report* (Vancouver: Fraser Institute, 2011), published in the United States by the Cato Institute.

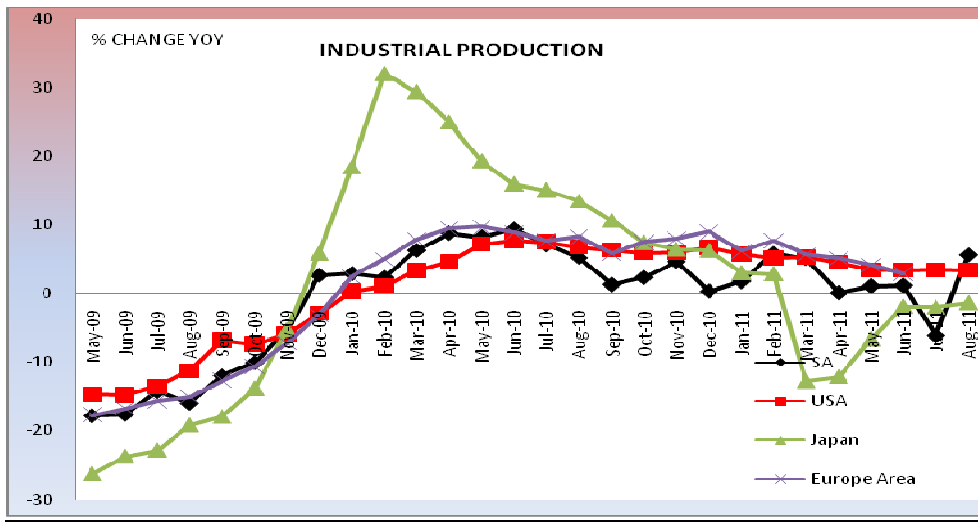
MACROECONOMIC INDICATORS



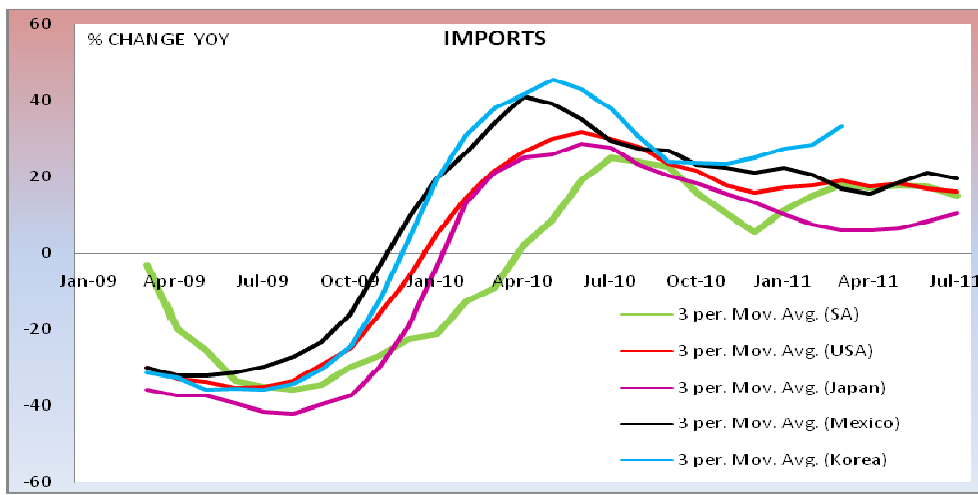
	Jul-11	Aug-11
Russia	102.77	102.46
Sweden	102.34	103.05
India	95.76	95.13
Turkey	100.73	100.82
Hungary	98.29	96.54
Indonesia	100.33	99.98
Australia	100.74	100.69
Korea	99.41	98.78
China	100.02	99.77



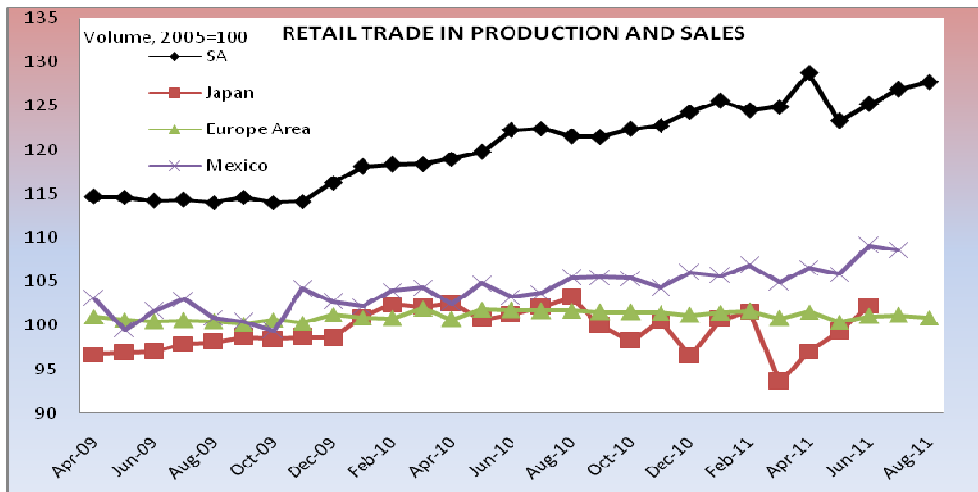
	Mar-11	Jun-11
Russia	3.84	3.45
Sweden	6.13	4.95
Brazil	4.15	3.11
India	7.65	-
Turkey	10.69	8.12
Hungary	1.66	1.24
Australia	1.04	1.38
Korea	3.92	3.39
China	-	-



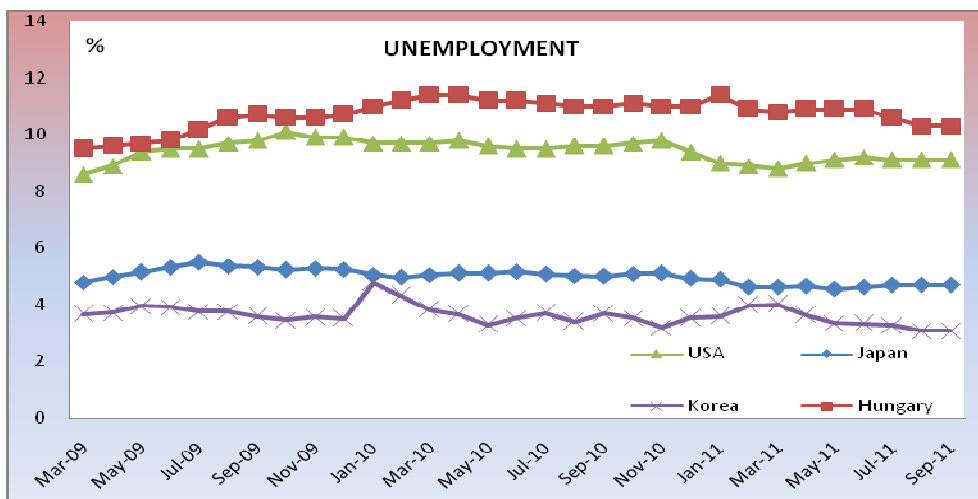
	Jul-11	Aug-11
Russia	5.89	4.74
Sweden	5.90	-
Chile	2.23	-0.49
Poland	4.61	-
Hungary	2.75	-
New Zealand	-	-
Korea	5.55	5.14
China	-	-



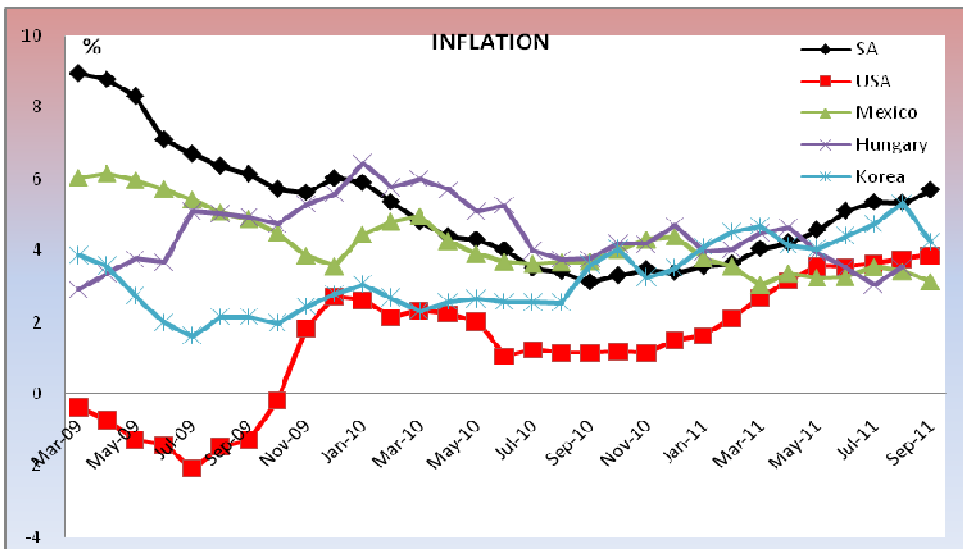
	Jun-11	Jul-11
Europe	4.00	6.4
Sweden	-3.59	5.69
Chile	-	-
Poland	-	-
Hungary	-2.69	0.92
New Zealand	5.95	1.75
Australia	4.64	-



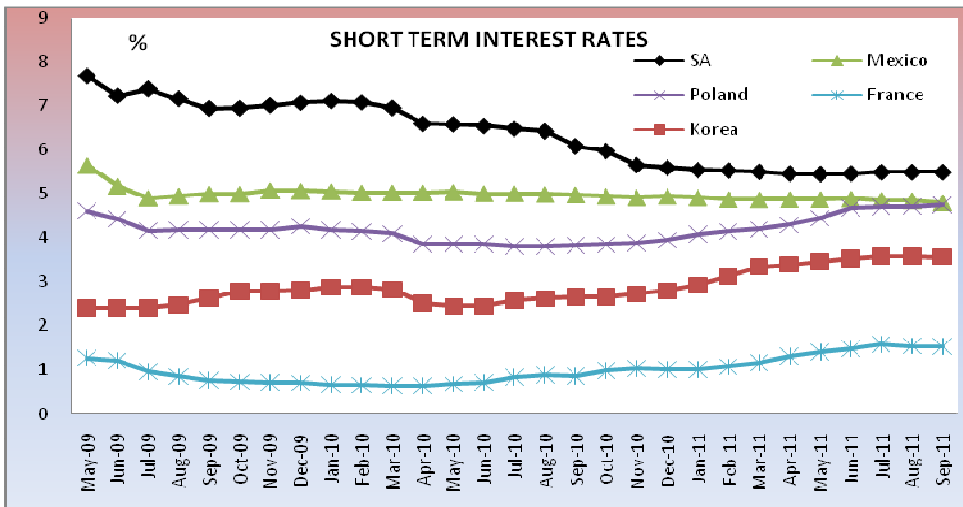
	Jul-11	Aug-11
USA	98.02	-
Mexico	108.54	-
Sweden	122.68	122.28
Hungary	92.60	-
China	129.81	129.51
Russia	162.35	165.74
Korea	129.81	129.51



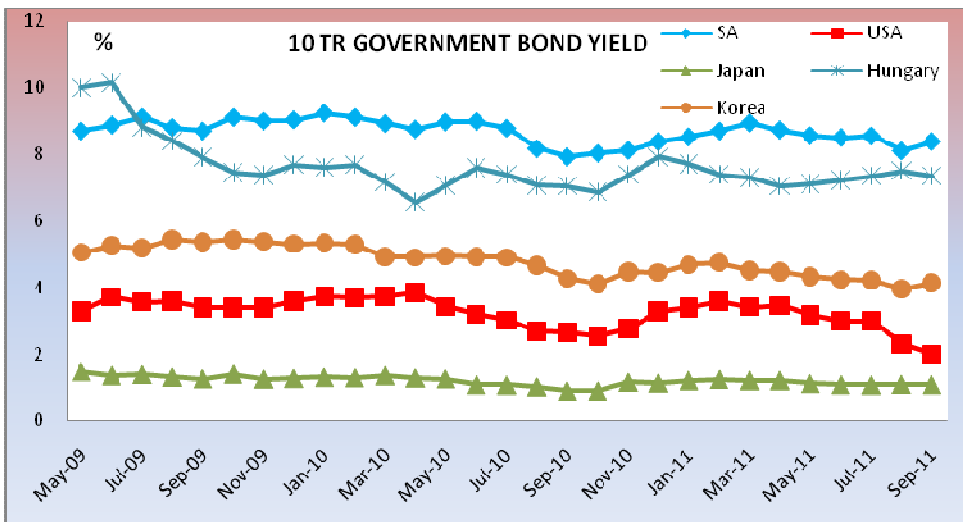
	Aug-11	Sep-11
Russia	4.70	4.70
Europe	10.00	10.00
Sweden	7.40	7.40
Japan	4.70	4.70
Australia	5.13	5.28
South Africa	-	-
USA	9.10	9.10
Korea	3.07	3.07



	Aug-11	Sep-11
Japan	0.20	-
Russia	8.14	-
Europe	2.53	2.98
Sweden	3.37	3.23
Chile	3.17	3.27
Poland	4.42	3.86
Hungary	3.54	-
Indonesia	4.79	4.61
France	2.24	2.24
China	6.20	-



	Aug-11	Sep-11
USA	0.29	0.25
Japan	0.34	0.34
Russia	5.02	5.24
Sweden	1.71	1.58
Chile	5.35	5.49
Poland	4.72	4.76
Korea	3.59	3.57
China	5.19	5.66



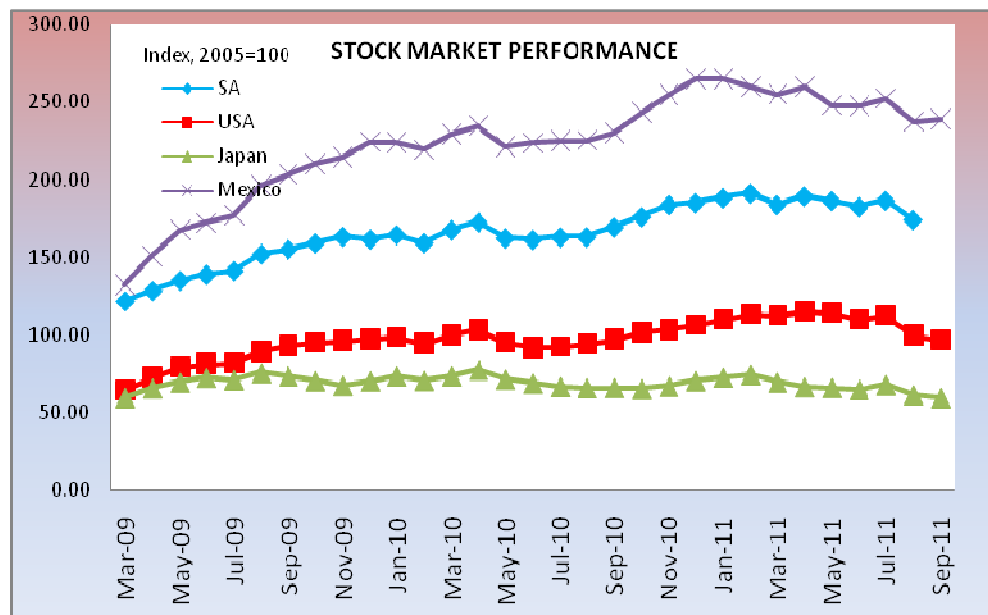
	Aug-11	Sep-11
Russia	8.19	8.12
Sweden	2.17	1.83
Mexico	4.52	4.46
Chile	5.57	5.30
Hungary	7.49	7.35
Australia	4.47	4.20

NB: Figures in red are estimates, calculated using a 3 month moving average

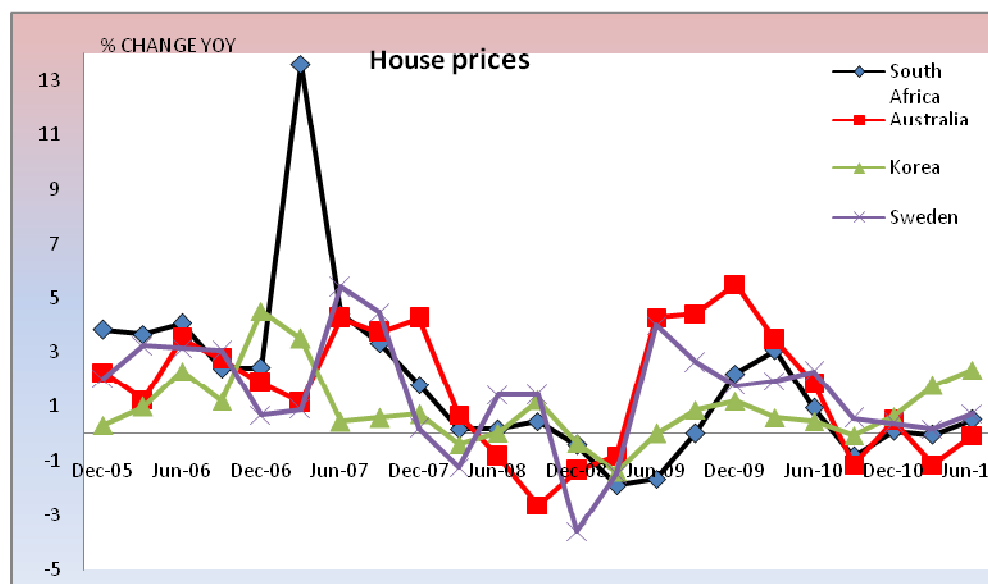
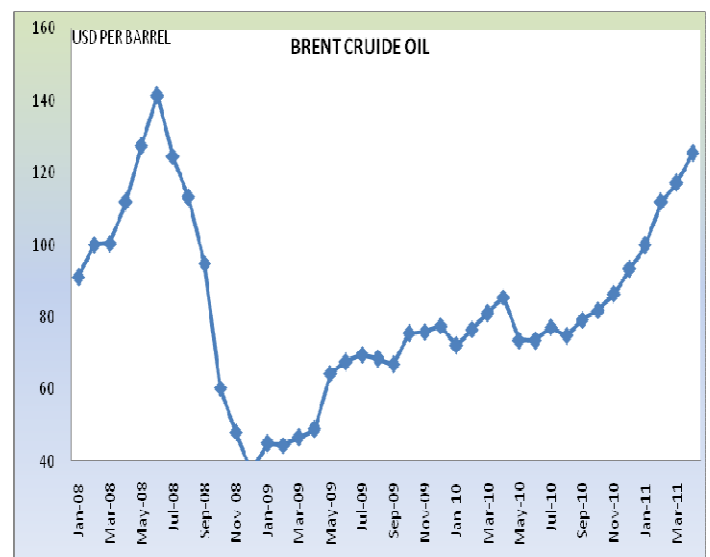
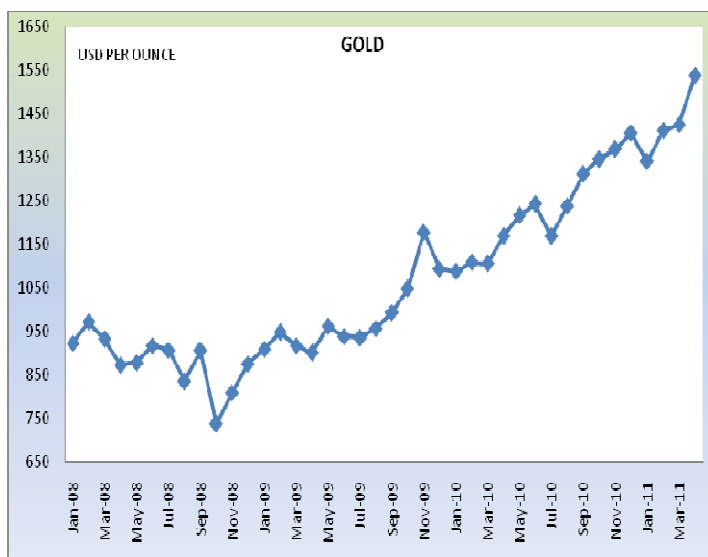
FINANCIAL INDICATORS

EXCHANGE RATES(PER 1 USD END OF THE MONTH)											
	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11
SA	6.98	6.84	6.92	7.17	6.92	6.74	6.87	6.80	6.80	7.07	
USA	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Japan	82.55	83.27	82.58	82.54	81.66	83.17	81.08	80.40	80.97	76.95	76.82
Russia	30.97	30.85	30.08	29.29	28.43	28.10	27.87	27.98	27.90	28.77	
Europe	0.73	0.76	0.75	0.73	0.71	0.69	0.70	0.69	0.69	0.70	0.73
Sweden	6.83	6.85	6.67	6.43	6.35	6.20	6.25	6.32	6.31	6.40	6.64
Mexico	12.33	12.39	12.12	12.07	12.00	11.70	11.65	11.80	11.61	12.23	13.05

Chile	482.59	473.52	490.21	474.82	479.32	469.71	467.89	469.50	463.38	466.64	486.34
Poland	2.90	3.02	2.91	2.87	2.86	2.74	2.75	2.75	2.74	2.88	3.15
Hungary	202.07	209.73	205.95	198.15	193.11	183.24	186.45	184.89	183.21	189.69	206.89
France											
Indonesia	8948.00	9016.30	9049.50	8894.00	8748.00	8629.50	8557.50	8565.50	8526.80	8550.30	
Korea	1129.36	1145.14	1118.64	1117.66	1118.92	1083.03	1084.16	1079.85	1063.69	1074.15	1119.37
China	6.66	6.65	6.60	6.58	6.57	6.53	6.50	6.48	6.46	6.41	

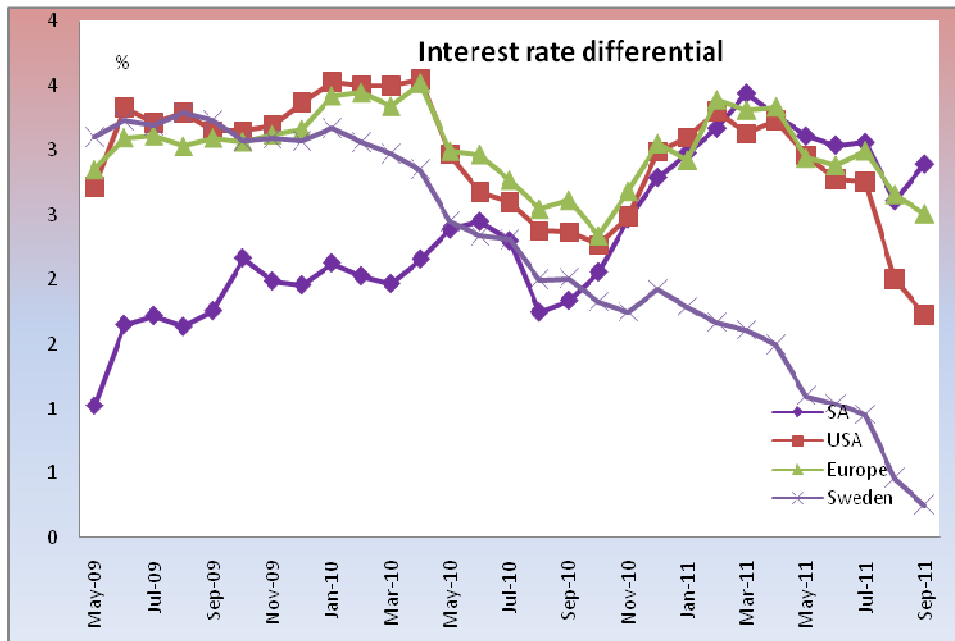


	Aug-11	Sep-11
Russia	212.39	206.13
Europe	77.27	72.39
Sweden	114.02	109.84
Chile	212.31	205.82
Poland	138.49	130.93
Hungary	98.32	87.66
Australia	97.81	94.54
Korea	174.18	167.35
China	223.92	212.64

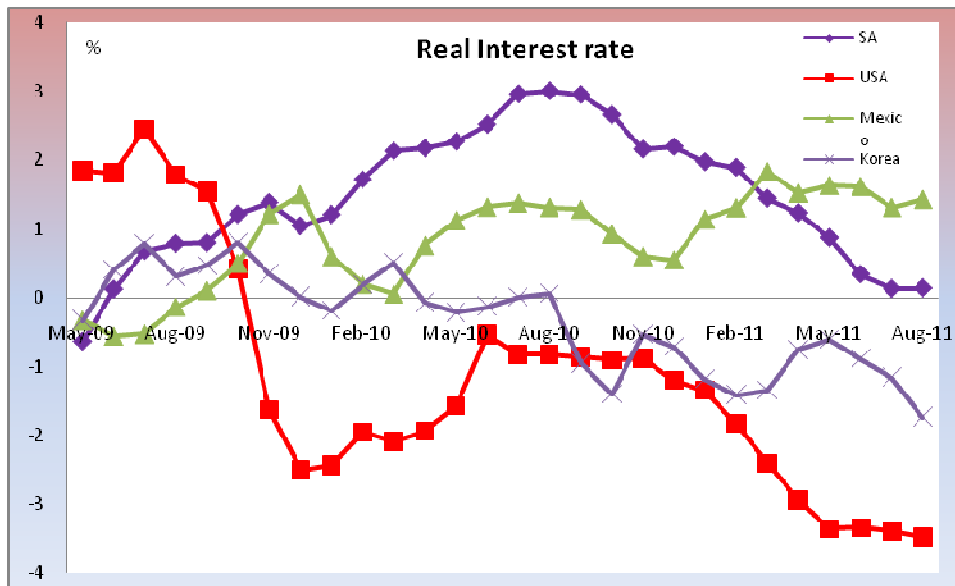


	March-11	June-11
Hong Kong	7.90	5.33
Portugal	-1.43	-2.43
Colombia	2.80	2.02

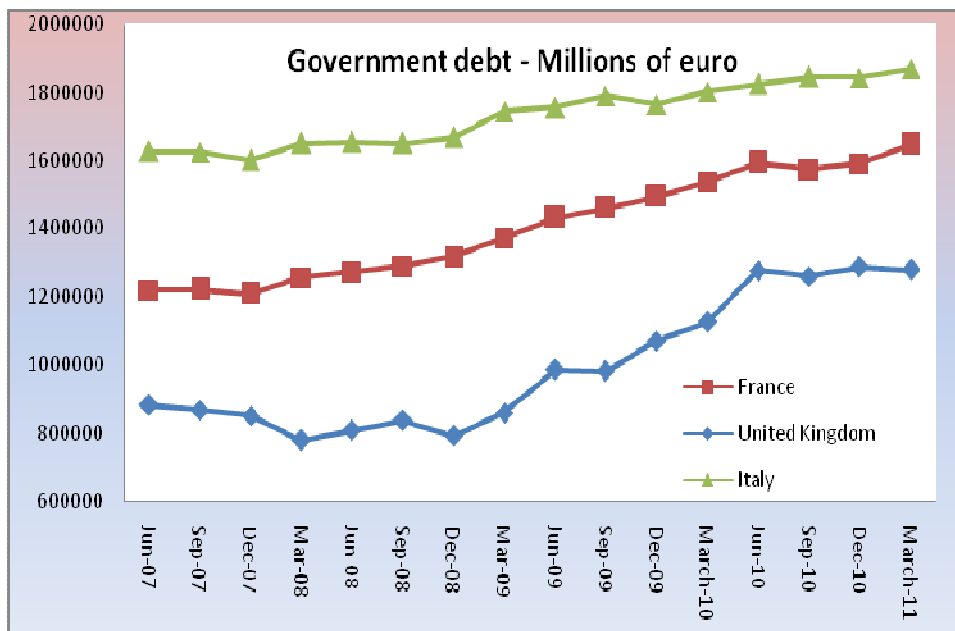
MONETARY AND FISCAL ANALYSIS



	Aug-11	Sep-11
Japan	0.75	0.74
Mexico	-0.33	-0.34
Chile	0.22	-0.19
Poland	0.98	0.98
Hungary	0.37	1.16
New Zealand	1.65	1.53
Korea	0.37	0.57
China	-	-



	Jul-11	Aug-11
Europe	-0.94	-0.98
Sweden	-1.55	-1.66
Chile	2.65	2.18
Poland	0.75	0.30
Hungary	3.72	-
France	-0.35	-0.69
China	-0.61	-



	Dec11	Mar-11
Europe	9,742,420.70	9,936,459.80
Hungary	78,250.40	84,517.50
France	1,591,169.00	1,646,111.00
United Kingdom	1,287,263.40	1,279,428.50
Slovenia	13,703.90	16,384.50
Portugal	160,470.10	162,583.80
Italy	1,843,015.00	1,868,265.00
Sweden	146,137.50	140,807.00