



"We have never given in to outside demands and we are not going to do so now. I believe that we are today crossing the Rubicon. There can be no turning back." PW Botha 15 August 1985

"We have not crossed the Rubicon yet, where court orders are being defied. But we're getting much closer to that Rubicon. I do not remember in the last 50 years a more alarming moment in terms of the approach that the US government is taking to our democratic institutions." Former US Treasury Secretary Larry Summers, 21 March 2025

HIGHLIGHTS

South Africa

1. The South African Reserve Bank's Monetary Policy Committee (MPC) kept the repo rate steady at 7,5% with a 4 to 2 vote.
2. The Bureau for Economic Research (BER) inflation expectations survey saw a slight easing in the 2025 consumer inflation rate to 4,3% in the first quarter from 4,5% in the fourth quarter.
3. The Agbiz/IDC Agribusiness Confidence Index (ACI) rose to 70 in the first quarter from 59 in the fourth quarter.
4. Consumer inflation was steady at 3,2% y/y in February and January from 3,0% y/y in December and 2,9% y/y in November.
5. The total number of persons who ran informal businesses rose to 1,9 million in 2023 from 1,8 million in 2017 and 1,1 million in 2009.
6. Real retail trade sales rose by 7,0% y/y in January after a 3,2% y/y gain in December.
7. Real wholesale trade sales fell by 1,3% y/y in January after a 0,2% y/y gain in December.
8. Real motor trade sales rose by 0,2% y/y in January after a 4,3% y/y drop in December.
9. The real value of building plans passed surged by 29,3% y/y in January after falling by 7,0% in 2024 and a 17,8% drop in 2023.
10. The real value of building plans completed fell by 19,2% y/y in January after a 14,2% decline in 2024 and a 18,2% drop in 2023.
11. The number of summonses fell by 30,5% y/y in January after a 13,5% drop in 2024.
12. Eskom's Energy Availability Factor (EAF) rose to 58,22% in week 11 from 56,8% in week 10
13. Eskom implemented Stage 2 load shedding on 19 March.
14. The Council for Scientific and Industrial Research (CSIR) estimated the cost of load shedding in 2024 at R481bn compared with R2,9 trillion in 2023.
15. Eskom added the Kusile power station's final unit, Unit 6, to the national grid on 23 March.

Rest of Africa

16. Private equity investment in African infrastructure projects dropped to \$1,4bn in 2024 from \$2,3bn in 2023.
17. Consumer inflation in Malawi rose to 30,7% y/y in February from 28,5% y/y in January and 28,1% y/y in December.
18. Consumer inflation in Morocco rose to 2,6% y/y in February from 2,0% y/y in January and 0,7% y/y in December.
19. The central bank of Morocco cut its benchmark lending rate by 25 basis points to 2,25%.
20. Namibian President Netumbo Nandi-Ndaitwah cut the cabinet from 21 ministers and 21 deputies to 14 ministers and seven deputies.
21. Consumer inflation in Nigeria eased to 23,18% y/y in February from 24,48% y/y in January and 34,80% y/y in December.
22. Rwanda's economy expanded by 8,0% y/y in the fourth quarter after a 8,1% y/y gain in the third quarter.
23. The China Civil Engineering Construction Corp (CCECC) will invest more than \$1,4bn in the TAZARA railway line connecting copper mines in Zambia to Tanzania's Dar es Salaam port.
24. Zimbabwean sports minister and double Olympic swimming champion Kirsty Coventry was elected as the 10th International Olympic Committee (IOC) President.

International

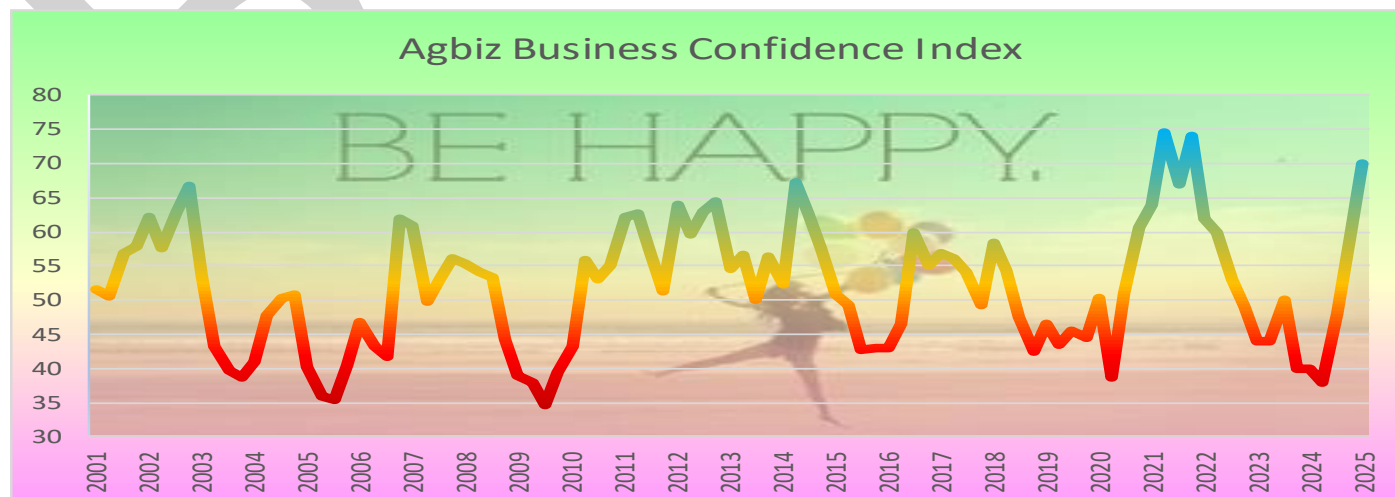
25. The central bank of Brazil raised its benchmark lending rate by 100 basis points to 14,25%.
26. The central bank of Iceland cut its benchmark lending rate by 25 basis points to 7,75%.
27. The central bank of Switzerland cut its benchmark lending rate by 25 basis points to 0,25%.
28. The central bank of Uzbekistan raised its benchmark lending rate by 50 basis points to 14,0%.
29. The Organisation for Economic Co-operation and Development (OECD) cut its G20 growth forecast for 2025 to 3,1% from 3,3% and for 2026 to 2,9% from 3,2%.
30. Argentina's economy expanded by 2,0% y/y in the fourth quarter after a 2,1% y/y drop in the third quarter.
31. Chile's economy expanded by 4,0% y/y in the fourth quarter after a 2,0% y/y gain in the third quarter.
32. New Zealand's economy contracted by 1,1% y/y in the fourth quarter after a 1,6% y/y drop in the third quarter.

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33. Sri Lanka's economy expanded by 5,4% y/y in the fourth quarter after a 5,3% y/y gain in the third quarter.
34. Political instability erupted in Türkiye on 19 March after Turkish police detained Istanbul's mayor Ekrem İmamoğlu, the main political challenger to President Recep Tayyip Erdoğan.
35. The US current account deficit narrowed to \$303,9bn in the fourth quarter from \$310,3bn in the third quarter.
36. The number of Americans filing new claims for unemployment benefit rose by 2 000 w/w to 223 000 in the week ending 15 March.
37. US existing home sales rose by 4,2% m/m in February to a seasonally adjusted annualised rate of 4,26 million units.
38. US housing starts rose by 11,2% m/m in February to a seasonally adjusted annualised rate of 1,501 million units.
39. The US NAHB Housing Market Index eased to 39 in March from 42 in February and 47 in January.
40. US industrial production rose by 0,7% m/m in February after a 0,3% m/m gain in January and a 1,1% m/m jump in December.
41. US retail trade sales rose by 0,2% m/m in February after a 1,2% m/m drop in January.
42. China's new home prices in 70 cities fell by 4,8% y/y in February after a 5,0% y/y decline in January and a 5,3% y/y drop in December.
43. China's industrial production expanded by 5,9% y/y in the Lunar New Year after a 6,2% y/y gain in December.
44. China's retail sales rose by 4,0% y/y in the Lunar New Year after a 3,7% y/y gain in December.
45. China's thermal power generation fell by 1,3% y/y in the Lunar New Year.
46. The ZEW Indicator of Economic Sentiment for Germany rose to 51,6 in March from 26,0 in February.
47. The UK's GfK Consumer Confidence Index rose to -19 in March from -20 in February, -22 in January and -17 in December.
48. Consumer inflation in Canada rose to 2,6% y/y in February from 1,9% y/y in January and 1,8% y/y in December.
49. Consumer inflation in Japan eased to 3,7% y/y in February from 4,0% y/y in January, 3,6% y/y in December and 2,9% y/y in November.
50. Japan's foreign trade balance swung to a surplus of ¥584,5bn in February from a ¥2,7587 trillion deficit in January, a ¥132,4bn surplus in December and a deficit of ¥117,6bn in November.
51. The number of foreigners visiting Türkiye fell by 5,3% y/y in February to 2,17 million in February after a 6,1% y/y gain in January.
52. The Brazilian Business Confidence Index rose to 49,2 in March after being steady at 49,1 in February and January from 50,1 in December.
53. The concentration of carbon dioxide in the atmosphere is at its highest point in 800 000 years.

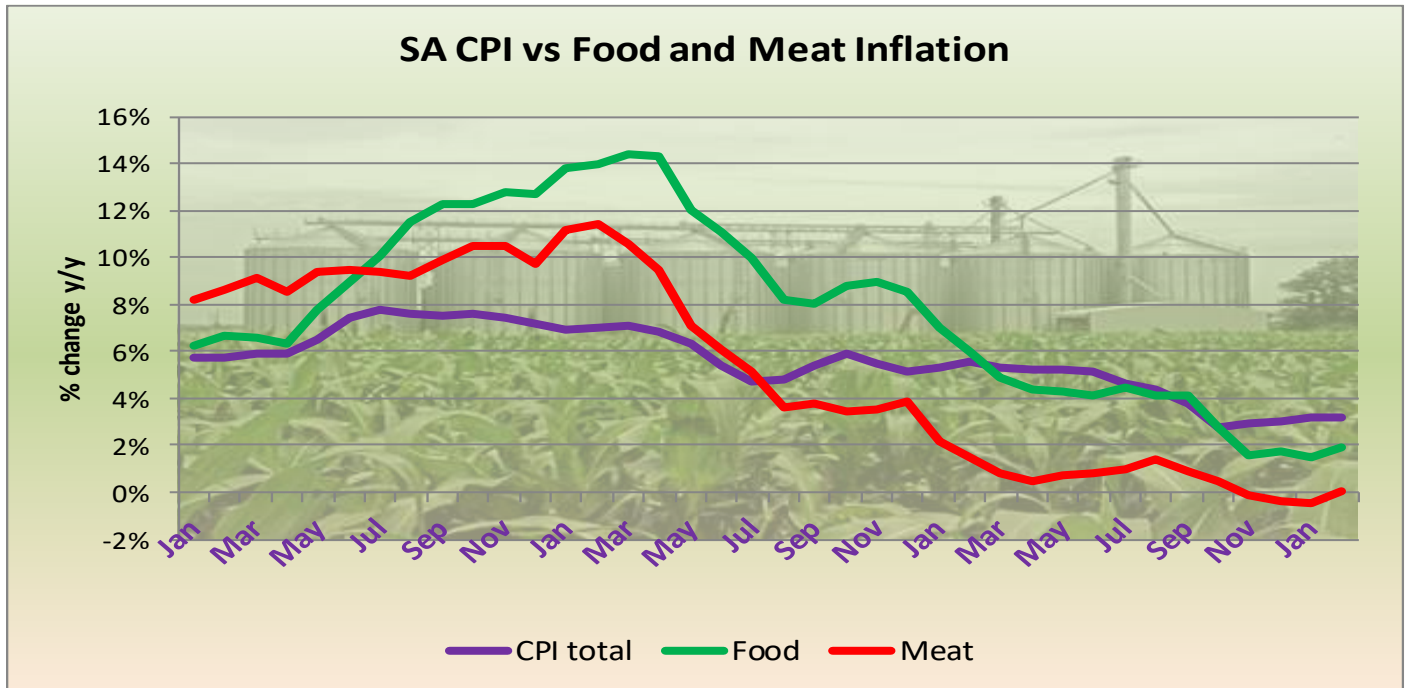
South Africa

1. **The South African Reserve Bank's Monetary Policy Committee (MPC) kept the repo rate steady at 7,5% with a 4 to 2 vote.** The two dissenting members voted for a 25 basis points cut. One of the reasons why two members voted for a cut was that the MPC has lowered its projection for average consumer inflation to 3,6% this year and 4,5% next year. In January, these projections were 3,9% and 4,6%, respectively. The lowering in inflation projections was mainly due to the better fuel-price projections. It also reflects a more benign path for administered prices, given the lower electricity tariffs announced by NERSA in February.
2. **The Bureau for Economic Research (BER) inflation expectations survey saw a slight easing in the 2025 consumer inflation rate to 4,3% in the first quarter from 4,5% in the fourth quarter.** The expectations for 2026 were steady at 4,6%. Analysts are more optimistic among the three social groups, expecting inflation of only 3,9% this year, then stabilising at 4,3% in the following two years. Business people anticipate a rate of 4,6% this year, then 4,8% over the next two years. On the pessimistic side, trade union officials forecast an acceleration from 4,5% in 2025 to 5,0% by 2027.
3. **The Agbiz/IDC Agribusiness Confidence Index (ACI) rose to 70 in the first quarter from 59 in the fourth quarter.** This was the third consecutive improvement, placing the ACI at its highest level since the fourth quarter 2021, a year of La Niña rainfall that boosted agricultural output. The current level of the ACI implies that South African agribusinesses remain optimistic about business conditions in the country.



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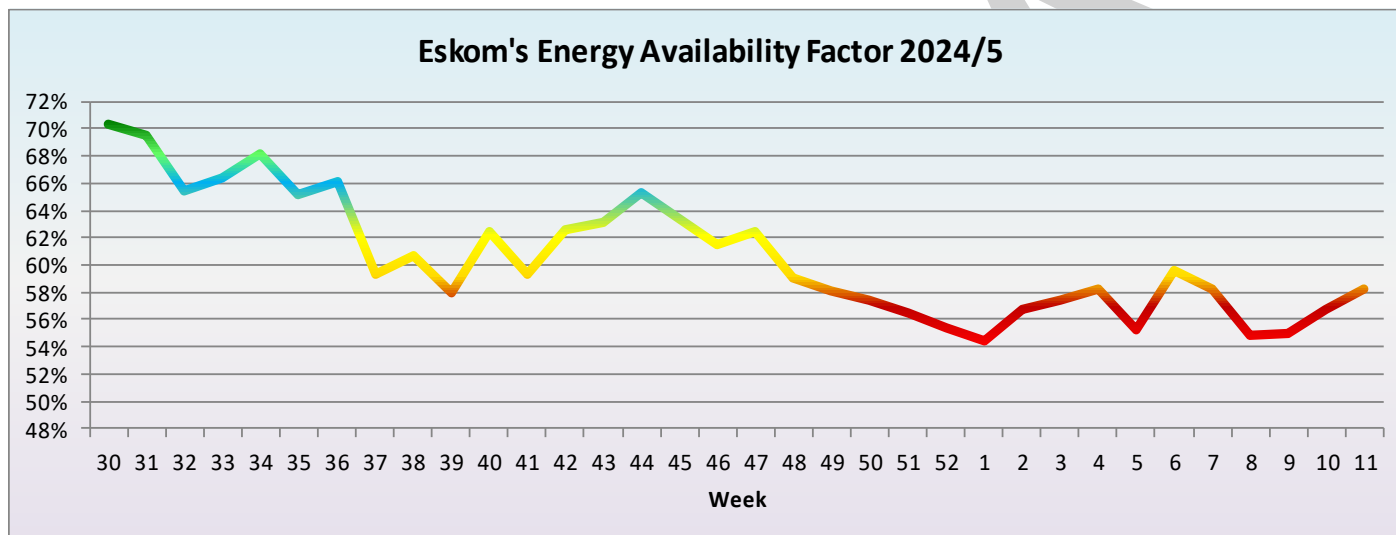
4. **Consumer inflation was steady at 3,2% y/y in February and January from 3,0% y/y in December and 2,9% y/y in November.** The July 2022 rate of 7,8% y/y was the highest y/y rate since May 2009. The 2022 move higher was driven by administered prices. In February, administered prices increased by 4,2% y/y after a 3,8% y/y rise in January, a 1,8% y/y gain in December, rising by 0,6% y/y in November and falling by 1,4% y/y in October. Food inflation rose to 1,9% y/y in February from 1,5% y/y in January, 1,7% y/y in December, 1,6% y/y in November, 2,8% y/y in October after being steady at 4,1% in September and August from 4,5% y/y in July. Excluding administered prices, consumer inflation eased to 3,1% y/y in February after being steady at 3,2% y/y in January and December from 3,3% y/y in November, 3,8% y/y in October, 4,1% y/y in September, 4,2% y/y in August and 4,3% y/y in July. The annual average for total consumer inflation was 4,4% in 2024 from 6,0% in 2023, 6,9% in 2022 and 4,5% in 2021.



5. **The total number of persons who ran informal businesses rose to 1,9 million in 2023 from 1,8 million in 2017 and 1,1 million in 2009.** The majority of informal businesses were in the trade industry (48,2% in 2023), with most of them operated by women (51,0% in 2023). In 2023, more than 80,0% of persons running non-VAT registered businesses used their own money to start the business. Unemployment or lack of alternative income sources was the main reason why most people started their informal businesses, accounting for 57,1% of the business owners in 2023. More than nine in every ten informal businesses had no business debt, credit facility, mortgage loan or asset finance between 2013 and 2023.
6. **Real retail trade sales rose by 7,0% y/y in January after a 3,2% y/y gain in December.** The annual change was a 2,5% increase in 2024 after a 1,2% drop in 2023, a 1,6% gain in 2022 and a 6,2% jump in 2021.
7. **Real wholesale trade sales fell by 1,3% y/y in January after a 0,2% y/y gain in December.** The annual change was a 5,2% decrease in 2024 after a 3,2% drop in 2023.
8. **Real motor trade sales rose by 0,2% y/y in January after a 4,3% y/y drop in December.** The annual change was a 3,4% decrease in 2024 after a 1,9% drop in 2023.
9. **The real value of building plans passed surged by 29,3% y/y in January after falling by 7,0% in 2024 and a 17,8% drop in 2023.** The value of residential plans passed rose by 15,1% y/y in January after falling by 10,6% in 2024 and a 23,1% drop in 2023, while the value of non-residential plans soared by 76,1% y/y in January after rising by 4,1% in 2024 and a 7,8% decline in 2023, while that of additions and alterations grew by 32,9% y/y in January after falling by 9,1% in 2024 and a 14,8% drop in 2023. The value of residential plans passed fell by 5,5% in 2022, while the value of non-residential plans passed increased by 8,4% and that of additions and alterations edged up by 1,5%.
10. **The real value of building plans completed fell by 19,2% y/y in January after a 14,2% decline in 2024 and a 18,2% drop in 2023.** The value of residential plans completed fell by 31,0% in January after a 19,2% decline in 2024 and a 9,6% drop in 2023, while the value of non-residential plans grew by 27,1% y/y in January after a 14,0% decrease in 2024 and a 13,4% drop in 2023, while that of additions and alterations fell by 38,1% y/y in January after rising by 3,7% in 2024 and plunging by 42,7% in 2023. The value of residential plans completed rose by 3,8% in 2022, while the value of non-residential plans completed increased by 4,4% and that of additions and alterations jumped by 8,2%.

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11. **The number of summonses fell by 30,5% y/y in January after a 13,5% drop in 2024.** The number of judgements fell by 15,1% y/y in January after a 6,0% drop in 2024, while the value of those judgements declined by 15,4% y/y in January after slipping by 2,7% in 2024.
12. **Eskom's Energy Availability Factor (EAF) rose to 58,22% in week 11 from 56,8% in week 10.** I saw no media coverage of this important indicator. Unplanned outages eased to 28,26% in week 11 from 32,1% in week 10 and only 23,05% in week 7. Planned maintenance rose to 13,01% in week 11 from 10,09% in week 10 and 16,71% in week 7 and a 2024 high of 19,63% in week 52 and a 2023-high of 19,07% in week 52 and only 5,06% in week 30 of 2022. The EAF rose to 59,79% in 2024 from 54,69% in 2023, 58,0% in 2022, 61,79% in 2021, 64,96% in 2020, 66,93% in 2019, 71,84% in 2018 and 78,61% in 2016. Planned maintenance outages rose to 13,25% in 2024 from 10,9% in 2023, 10,62% in 2022 from 10,81% in 2021, 11,32% in 2020 and 9,94% in 2019, while unplanned outages eased to 26,36% in 2024 from 33,08% in 2023, 29,86% in 2022, 24,49% in 2021 20,88% in 2020 and 21,57% in 2019.



13. **Eskom implemented Stage 2 load shedding on 19 March.** This was due to the loss of five generation units before the evening peak period.
14. **The Council for Scientific and Industrial Research (CSIR) estimated the cost of load shedding in 2024 at R481bn compared with R2,9 trillion in 2023.** That is one of the reasons why Eskom uses expensive Open Cycle Gas Turbines to prevent load shedding.
15. **Eskom added the Kusile power station's final unit, Unit 6, to the national grid on 23 March.** Over the next six months, the unit will undergo extensive testing and optimisation before reaching commercial operation, when its 800 MW capacity will be officially added to the Eskom generation fleet. Sister project, the Medupi power station, will see its Unit 4 return 800 MW by the end of April from an extended outage following a generator stator failure.

Rest of Africa

16. **Private equity investment in African infrastructure projects dropped to \$1,4bn in 2024 from \$2,3bn in 2023.** Africa faces critical gaps in infrastructure from power to digital connectivity with an annual \$100bn financing hole for such projects, according to data from the Global Private Capital Association.
17. **Consumer inflation in Malawi rose to 30,7% y/y in February from 28,5% y/y in January and 28,1% y/y in December.** The increase was primarily driven by rising food costs (38,5% vs 36,0% in January vs 35,6% in December), particularly maize and its products, such as maize flour, alongside rice, bread, cooking oil, tomatoes, and other vegetables. Additionally, non-food prices rose (17,1% vs 16,9% vs 16,8%) due to higher costs in restaurants and hotels, clothing and footwear, furnishings and household items, as well as housing, water, and electricity.
18. **Consumer inflation in Morocco rose to 2,6% y/y in February from 2,0% y/y in January and 0,7% y/y in December.** This was the highest reading since December 2023, as prices accelerated for food and non-alcoholic beverages (4,7% vs 3,4% in January), clothing and footwear (1,1% vs 0,9), and restaurant and hotels (3,7% vs 3,5%). At the same time, costs declined at a softer pace for transport (-1,7% vs -2,7%). On the other hand, inflation slowed for alcoholic beverages and tobacco (2,9% vs 3,0%) and miscellaneous goods and services (1,8% vs 2,0%), while it decreased for recreation and culture (-0,1% vs 0,2%).
19. **The central bank of Morocco cut its benchmark lending rate by 25 basis points to 2,25%.** This took borrowing costs back to 2022 levels following similar reductions in June and December of last year. Despite expectations of a moderate acceleration in inflation, the central bank projects it will remain around 2% over the next two years.

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20. **Namibian President Netumbo Nandi-Ndaitwah cut the cabinet from 21 ministers and 21 deputies to 14 ministers and seven deputies.** Females outnumbered males in the ministries with 8 out of 14 occupied by females.
21. **Consumer inflation in Nigeria eased to 23,18% y/y in February from 24,48% y/y in January and 34,80% y/y in December.** This followed the rebasing of the CPI index by the country's statistical office to more accurately reflect changes in consumption patterns. Food inflation eased to 23,51% from 26,08%.
22. **Rwanda's economy expanded by 8,0% y/y in the fourth quarter after a 8,1% y/y gain in the third quarter.** For the full year, GDP advanced by 8,9%, accelerating from 8,2% in the previous two years, driven by strong agricultural yields and robust growth in the industrial and service sectors.
23. **The China Civil Engineering Construction Corp (CCECC) will invest more than \$1,4bn in the TAZARA railway line connecting copper mines in Zambia to Tanzania's Dar es Salaam port.** The two African nations agreed to bring in State-owned CCECC to refurbish the line that's run into a state of disrepair. Last year, China, Tanzania and Zambia signed a memorandum of understanding to restore the 1 860 km railway that Mao Zedong's China financed and helped build in the 1970s.
24. **Zimbabwean sports minister and double Olympic swimming champion Kirsty Coventry was elected as the 10th International Olympic Committee (IOC) President.** She is the first female, first African and youngest person to take up the position. Coventry secured an overall majority of the secret ballot after just one round, winning 49 votes out of a possible 97. Up until 1981 there were no female members of the IOC and Coventry is only the second woman to run for the presidency.

International

25. **The central bank of Brazil raised its benchmark lending rate by 100 basis points to 14,25%.** While its primary goal is price stability, the decision also seeks to reduce economic fluctuations and support full employment. The external environment remains challenging, particularly due to uncertainty over US trade policy, which has raised concerns about economic slowdown, disinflation, and the US Federal Reserve's stance.
26. **The central bank of Iceland cut its benchmark lending rate by 25 basis points to 7,75%.** This followed a 50 basis points cut in February. The decision came as headline inflation eased to 4,2% in February, marking its lowest level in four years, while underlying inflation fell to an over three-year low. Policymakers also signalled that disinflation is expected to continue in the coming months.
27. **The central bank of Switzerland cut its benchmark lending rate by 25 basis points to 0,25%.** This was the central bank's fifth cut in the current cycle. Inflation has declined from 0,7% y/y in November to 0,3% y/y in February, mainly due to lower electricity prices, though domestic services continue to drive price growth.
28. **The central bank of Uzbekistan raised its benchmark lending rate by 50 basis points to 14,0%.** The hike was made to curb inflationary pressures amid persistent demand growth and rising inflation expectations. Headline inflation rose to 10,1% in February, driven by higher fuel, utility, transport, education, and medical service costs.
29. **The Organisation for Economic Co-operation and Development (OECD) cut its G20 growth forecast for 2025 to 3,1% from 3,3% and for 2026 to 2,9% from 3,2%.** It said higher trade barriers and policy uncertainty would dampen investment and spending. The US economy is now expected to grow 2,2% in 2025 (vs 2,4% estimated in December) and 1,6% in 2026 (vs 2,1%). China's economy is expected to expand 4,8% this year (vs 4,7%) before slowing to 4,4% in 2026.
30. **Argentina's economy expanded by 2,0% y/y in the fourth quarter after a 2,1% y/y drop in the third quarter.** This growth marks an end to six consecutive quarters of economic decline, driven by a rebound in the agriculture sector (1,6% vs -2,0% in Q3) as the effects of a historic drought that severely impacted grain production began to subside. Manufacturing production (0,7% vs -6,2% in Q3), wholesale and retail trade (2,5% vs -5,8%), transportation (2,0% vs -0,3%), and financial intermediation (8,4% vs -2,0%) also posted gains. However, declines were recorded in construction (-12,4% vs -15,2%) and utilities (-1,0% vs 0,6%).
31. **Chile's economy expanded by 4,0% y/y in the fourth quarter after a 2,0% y/y gain in the third quarter.** The mining sector rose by 7,3%, significantly outperforming the 4,6% growth seen in the third quarter, while the non-mining sector grew by 3,7%, up from 1,9%. Meanwhile, domestic demand rebounded (4,3% vs -0,2%), driven by a 2% rise in household spending (vs 1%) and a recovery in investment (3,3% vs -0,8%), though public expenditure declined (-1,8% vs 6,7%). Additionally, both exports (9,2% vs 7,3%) and imports (10,2% vs 1,2%) accelerated. For the full year 2024, the economy grew by 2,6%, largely driven by strong export performance.
32. **New Zealand's economy contracted by 1,1% y/y in the fourth quarter after a 1,6% y/y drop in the third quarter.** The downturn was primarily driven by a 5,6% contraction in goods-producing industries, worsening from a 4,8% decline in Q3. However, the service industries saw a smaller decline of 0,7%, down from a 0,5% growth in the previous quarter, while primary industries grew by 2,0%, slightly up from 1,9% in Q3.
33. **Sri Lanka's economy expanded by 5,4% y/y in the fourth quarter after a 5,3% y/y gain in the third quarter.** This was the fastest pace of growth since the second quarter of 2021, driven by a 13,1% surge in industrial production (compared with 10,1% in Q3) and

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a solid 2,5% increase in services output from 2,6% in Q3. On the other hand, agricultural activities contracted by 2,2%, reversing the 3,7% growth seen in the third quarter. For the full year of 2024, the economy expanded by 5,0%, following two consecutive periods of contraction.

- 34. Political instability erupted in Türkiye on 19 March after Turkish police detained Istanbul's mayor Ekrem İmamoğlu, the main political challenger to President Recep Tayyip Erdoğan.** The Turkish lira immediately collapsed 12%, though record (\$9bn) intervention reduced the day's loss to 3,2%. Turkish stocks were slammed by 16,6%, with banking stocks experiencing their worst weekly drop since at least 2001. Turkey's local currency bond yield spiked 293 basis points to 29,16%.
- 35. The US current account deficit narrowed to \$303,9bn in the fourth quarter from \$310,3bn in the third quarter.** The primary income balance shifted to a surplus of \$2,3bn from a deficit of \$13,8bn. The secondary income gap fell to \$56,2bn from \$60,1bn, while the services surplus rose to \$76,1bn from \$73,2bn. On the other hand, the goods deficit widened to \$326,1bn from \$309,6bn. Considering 2024 full year, the current account deficit widened by 25,2% to \$1,13 trillion, representing 3,9% of GDP.
- 36. The number of Americans filing new claims for unemployment benefit rose by 2 000 w/w to 223 000 in the week ending 15 March.** The data continued to show that the US labour market remains at historically tight levels despite the slight softening since its post-pandemic peak, in line with the rhetoric from Federal Reserve members. Still, federal employees fired by the newly created Department of Government Efficiency (DOGE) are not included in the state claims data, as their claims are filed separately under the Unemployment Compensation for Federal Employees (UCFE) program.
- 37. US existing home sales rose by 4,2% m/m in February to a seasonally adjusted annualised rate of 4,26 million units.** The median price for existing home sales was at \$398 400, a 3,8% increase from the previous year. In the meantime, the inventory of unsold homes rose 5,1% m/m to 1,24 million, equivalent to 3,5 months of supply at the current sales pace.
- 38. US housing starts rose by 11,2% m/m in February to a seasonally adjusted annualised rate of 1,501 million units.** Severe snowstorms and frigid temperatures had disrupted construction activity in January, so this was a rebound to normal winter temperatures. Single-family housing starts jumped by 11,4% to 1,108 million and the starts for multi-unit buildings, with five or more units, went up by 12,1% to 0,37 million.
- 39. The US NAHB Housing Market Index eased to 39 in March from 42 in February and 47 in January.** The index was dragged down by concerns on tariffs, elevated mortgage rates and high housing costs. Current sales conditions fell three points to 43, sales expectations in the next six months held steady at 47 while traffic of prospective buyers dropped five points to 24.
- 40. US industrial production rose by 0,7% m/m in February after a 0,3% m/m gain in January and a 1,1% m/m jump in December.** Manufacturing output, which accounts for 78% of total industrial production, increased by 0,9% in February, boosted by a jump of 8,5% in the index for motor vehicles and parts. The output of manufacturing excluding motor vehicles and parts rose by 0,4%. Mining output grew by 2,8% after a 3,2% fall in January. On the other hand, the index for utilities fell by 2,5%, as the output for electric utilities and for natural gas utilities decreased by 1,2% and 11,1%, respectively.
- 41. US retail trade sales rose by 0,2% m/m in February after a 1,2% m/m drop in January.** Seven of the 13 categories saw declines, while sales at non-store retailers recorded the biggest increase (2,4%), followed by health & personal care stores (1,7%), food & beverage (0,4%), general merchandise (0,2%) and building material (0,2%). Sales at furniture stores stalled.
- 42. China's new home prices in 70 cities fell by 4,8% y/y in February after a 5,0% y/y decline in January and a 5,3% y/y drop in December.** This was the smallest y/y decline since last June, amid the government's ongoing efforts to curb the prolonged property downturn by lowering mortgage rates, reducing home buying costs, and allowing local governments to purchase unsold housing and idle land using special bond proceeds. However, the latest result marked the 20th consecutive month of y/y declines. On a monthly basis, new home prices edged down 0,1%, after being flat in the prior two months.
- 43. China's industrial production expanded by 5,9% y/y in the Lunar New Year after a 6,2% y/y gain in December.** The moderation in growth came amid softer increases in manufacturing (6,9% vs 7,4% in December 2024), while electricity, heat, gas, and water production and supply activities grew at the same pace as in December (1,1%). Meanwhile, mining growth accelerated (4,3% vs 2,4%). China combines industrial production data for January and February to smooth out the impact of the Lunar New Year holiday, which falls at different times each year.
- 44. China's retail sales rose by 4,0% y/y in the Lunar New Year after a 3,7% y/y gain in December.** This was the strongest increase in retail turnover since last October, boosted by rising consumption during the Spring Festivals. In 2024, retail turnover gained 3,5%.
- 45. China's thermal power generation fell by 1,3% y/y in the Lunar New Year.** This is only the third time China's power demand has fallen since 1998, the others being in 2020, at the start of Covid-19 pandemic and 2009, following the global financial crisis. The drop was due to milder winter temperatures. Wind power generation rose by 10,4% and solar power by 27,4%.
- 46. The ZEW Indicator of Economic Sentiment for Germany rose to 51,6 in March from 26,0 in February.** The assessment of the current economic situation edged up slightly to -87,6 from -88 5. "Positive signals surrounding Germany's fiscal policy, including the agreement on a multibillion-euro financial package for the federal budget, have likely contributed to improving market sentiment. Notably, the outlook for metal, machinery, and steel production is showing signs of recovery. Additionally, the ECB's sixth consecutive

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interest rate cut is further enhancing financing conditions for both households and businesses," commented ZEW President Prof. Achim Wambach.

- 47. The UK's GfK Consumer Confidence Index rose to -19 in March from -20 in February, -22 in January and -17 in December.** The January 2025 level was the lowest since November 2023. The rise reflected a slight improvement as households expressed more optimism about the broader economic outlook. Expectations for the general economic situation over the next 12 months improved by 2 points to -29, while sentiment regarding personal finances for the year ahead dipped by 1 point to +1. Meanwhile, the major purchase index, which gauges confidence in buying big-ticket items, remained steady at -17.
- 48. Consumer inflation in Canada rose to 2,6% y/y in February from 1,9% y/y in January and 1,8% y/y in December.** The surge was mostly owed to the end of goods and services tax (GST) and harmonized tax (HST) breaks halfway through the period, triggering sharp increases in the price of eligible goods. Consequently, deflation slowed sharply for restaurants (-1,4% vs -5,1% in January) and alcoholic beverages from stores (-1,4% vs -3,6%), driving the food sub-index to rebound sharply (1,3% vs -0,6%). Prices also rebounded for clothing and footwear (1,4% vs -1,3%) and accelerated for recreation, education, and reading (3,7% vs 1,9%).
- 49. Consumer inflation in Japan eased to 3,7% y/y in February from 4,0% y/y in January, 3,6% y/y in December and 2,9% y/y in November.** There was a sharp slowdown in prices of electricity (9,0% vs 18,0% in January) and gas (3,4% vs 6,8%) following government's reinstatement of energy subsidies. Also, food prices rose slightly slower after hitting a 15-month high in January (7,6% vs 7,8%). The core inflation rate eased to 3,0% from January's 19-month high of 3,2%.
- 50. Japan's foreign trade balance swung to a surplus of ¥584,5bn in February from a ¥2,7587 trillion deficit in January, a ¥132,4bn surplus in December and a deficit of ¥117,6bn in November.** The swing was mainly driven by a surge in exports, which increased by 11,4% y/y. On the other hand, imports dropped by 0,7% y/y for the first y/y contraction since November. This decline followed a robust 16,2% jump in January, the strongest increase in nearly two years.
- 51. The number of foreigners visiting Türkiye fell by 5,3% y/y in February to 2,17 million in February after a 6,1% y/y gain in January.** Arrivals from key source countries declined, namely Iran (-1,3% to 223 200), Russia (-4,5% to 179 500), Bulgaria (-17,5% to 167 600), Germany (-17,8% to 150 300), and Georgia (-1,0% to 102 400).



- 52. The Brazilian Business Confidence Index rose to 49,2 in March after being steady at 49,1 in February and January from 50,1 in December.** This stability follows a decline from September's peak of 53,3, the highest since October 2022. While expectations for individual company performance in the coming six months improved modestly from 51,5 to 51,8 and broader economic expectations rose slightly from 42,8 to 43,0, current business conditions declined from 44,4 to 44,0 and the assessment of the overall Brazilian economy slipped from 37,0 to 36,6.
- 53. The concentration of carbon dioxide in the atmosphere is at its highest point in 800 000 years.** This is according to UN research that found 2024 was likely to have been the hottest year on record and the first to surpass 1,5C above pre-industrial levels.