



## WEEKLY ECONOMIC BRIEFING



WEEK ENDING

11 APRIL 2025

*"I'm worried about something worse than a recession": Ray Dalio*

### HIGHLIGHTS

#### South Africa

1. The rand strengthened to R19,094/US\$1 on 11 April from a record R19,93/\$1 on 9 April.
2. Manufacturing production fell by 3,2% y/y in February after a revised 3,2% (3,3%) y/y drop in January.
3. Eskom's Energy Availability Factor (EAF) eased to 55,84% in week 14 from 55,93% in week 13.
4. The Open Cycle Gas Turbine (OCGT) load factor rose to 29,95% in the week ending 10 April from 22,69% in the prior week.
5. A new Green Cape report forecasts that 6 GW of new private solar PV and 3,5 GW of wind capacity will be installed in South Africa by 2030, involving total investments of R132bn.

#### Rest of Africa

6. Africa Finance Corporation (AFC) revenue rose to \$1,1bn in 2024 from \$890m in 2023.
7. Consumer inflation in Angola eased to 23,85% y/y in March from 25,26% y/y in February and 26,48% y/y in January.
8. Consumer inflation in Egypt rose to 13,6% y/y in March from 12,8% y/y in February and 24,0% y/y in January.
9. The central bank of Kenya cut its benchmark lending rate by 75 basis points to 10,0%.
10. Mozambique approved Eni's \$7,2bn floating liquefied natural gas (LNG) project.
11. Consumer inflation in Mozambique rose to 4,77% y/y in March from 4,74% y/y in February and 4,69% y/y in January.
12. Consumer inflation in Rwanda rose to 4,9% y/y in March from 3,8% y/y in February and 5,7% y/y in January.
13. Consumer prices in Senegal fell by 0,2% y/y in March after a 0,6% y/y gain in February and a 1,8% y/y rise in January.
14. Zambia will resume construction of a power line linking it to East Africa.

#### International

15. The trade war between China and the US is escalating.
16. US President Donald Trump announced a 90-day pause in implementing tariffs on 9 April, but specifically excluded China from the pause.
17. Anti-American sentiment abroad has been on the rise, with President Donald Trump's unpredictable trade policies exacerbating the issue.
18. US President Donald Trump claimed that "we're now making \$2bn a day", but BBC Verify cannot find any published figures which show this.
19. Global bond markets weakened as recession fears escalated.
20. Bridgewater founder Ray Dalio said that he is worried that the turmoil resulting from President Donald Trump's tariff and economic policies will threaten the global economy.
21. Venezuela's National Assembly on 10 April approved a state of economic emergency decree proposed by President Nicolás Maduro in response to escalating US sanctions and tariffs.
22. The International Monetary Fund (IMF) has reached a staff-level agreement to provide Argentina with a new \$20bn loan over 48 months, pending approval from the IMF's executive board.
23. The central bank of India cut its benchmark lending rate by 25 basis points to 6,0%.
24. The central bank of New Zealand cut its benchmark lending rate by 25 basis points to 3,5%.
25. The central bank of the Philippines cut its benchmark lending rate by 25 basis points to 5,5%.
26. The central bank of Uruguay raised its benchmark lending rate by 25 basis points to 9,25%.
27. Vietnam's economy expanded by 6,93% y/y in the first quarter after a 7,55% y/y gain in the fourth quarter.
28. Chinese banks extended CNY 3,64 trillion in new yuan loans in March after CNY 1,01 trillion in February and a record CNY 5,13 trillion in January.
29. China's new vehicle sales rose by 8,2% y/y in March after a 34,4% y/y surge in February and a 0,6% y/y drop in January.
30. China's central bank added gold to its reserves for a fifth straight month in March.
31. China's foreign trade surplus rose to US\$102,64bn in March 2025 from \$58,65bn in March 2024.
32. US small-business optimism eased to 97,4 in March from 101,7 in February, 102,8 in January, 105,1 in December, 101,7 in November, 93,7 in October and 91,5 in September.
33. The University of Michigan's consumer sentiment index eased to 50,8 in April from 57,0 in March and 64,7 in February.
34. Consumer inflation in the US eased to 2,4% y/y in March from 2,8% y/y in February, 3,0% y/y in January, 2,9% y/y in December, 2,7% y/y in November, 2,6% y/y in October and 2,4% y/y in September.
35. US producer inflation eased to 2,7% y/y in March from 3,2% y/y in February and 3,7% y/y in January.
36. US initial jobless claims rose by 4 000 w/w to 223 000 in the week ending 5 April.

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37. The US fiscal deficit narrowed to \$161bn in March 2025 from \$236bn in March 2024 and \$378bn in March 2023.
38. Total US consumer credit declined by \$0,81bn in February after a \$8,9bn gain in January.
39. Consumer inflation in Argentina eased to 55,9% y/y in March from 66,9% y/y in February, 84,5% y/y in January, 117,8% y/y in December and 166,0% y/y in November.
40. Consumer inflation in Belarus rose to 5,9% y/y in March from 5,6% y/y in February after being steady at 5,2% y/y in January and December from 5,5% y/y in November.
41. Consumer inflation in Brazil rose to 5,48% y/y in March from 5,06% y/y in February and 4,56% y/y in January.
42. China's consumer prices fell by 0,1% y/y in March after a 0,7% y/y drop in February and a 0,5% y/y rise in January
43. China's producer prices fell by 2,5% y/y in March after a 2,2% y/y drop in February
44. Consumer inflation in Mongolia eased to 9,1% y/y in March from 9,6% y/y in February and 8,7% y/y in January.
45. Consumer inflation in Russia rose to 10,3% y/y in March from 10,1% y/y in February, 9,9% y/y in January and 9,5% y/y in December.
46. Russia's foreign trade surplus widened to \$10,5bn in February from \$7,16bn in January and \$5,575bn in December.
47. Russia's current account surplus narrowed to \$19,8bn in the first quarter 2025 from \$24,0bn in the first quarter 2024.
48. Russia's fiscal deficit widened to RUB 2,17 trillion in the first quarter of 2025 from only RUB 0,61 trillion in the first quarter 2024.
49. India's industrial production growth eased to 2,9% y/y in February from 5,2% y/y in January.
50. The UK's industrial production rose by 1,5% m/m in February after a 0,5% m/m drop in January.
51. The number of visitor arrivals in New Zealand fell by 2,3% y/y in February to 354 408 after rising by 13,4% y/y in January to 370 238.
52. The Brazilian Business Confidence Index eased to 48,0 in April from 49,2 in March.
53. More than half of honeybee colonies in the US died off over the winter.
54. March 2025 was Europe's warmest March since records began.
55. The International Energy Agency (IEA) estimates that electricity demand from data centres worldwide is set to more than double by 2030 to an estimated 945 TWh.

### South Africa

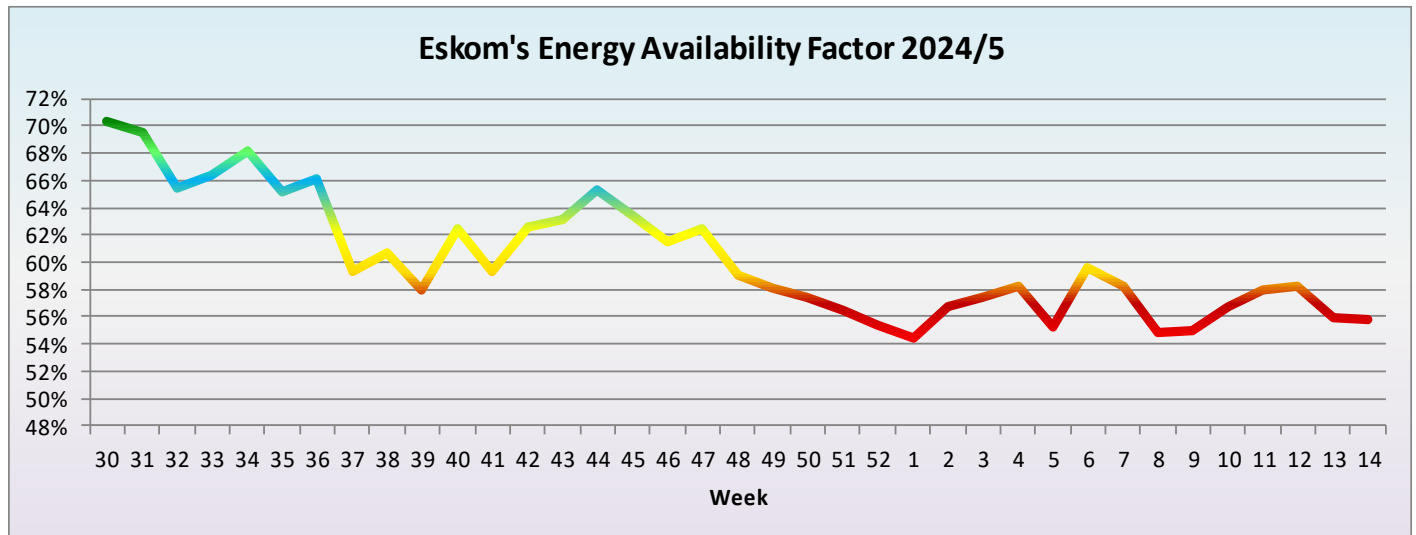
1. **The rand strengthened to R19,094/US\$1 on 11 April from a record R19,93/\$1 on 9 April.** It beat the previous record of R19,9207/\$1 on 1 June 2023. The weakness on 1 June 2023 came after South Africa said all the BRICS leaders would have diplomatic immunity when they come for the BRICS Summit to South Africa in August 2023. The weakness on 9 April 2025 was due to the imposition of US tariffs, which were then later put on a 90-day pause.



2. **Manufacturing production fell by 3,2% y/y in February after a revised 3,2% (3,3%) y/y drop in January.** The largest negative contributions were made by the following divisions: contributors to the decline were motor vehicles, parts and accessories, followed by coke, petroleum products and nuclear fuel.
3. **Eskom's Energy Availability Factor (EAF) eased to 55,84% in week 14 from 55,93% in week 13.** I saw no media coverage of this important indicator. Unplanned outages eased to 28,89% in week 14 from 30,47% in week 13 and only 24,82% in week 6. Planned maintenance rose to 14,67% in week 14 from 13,1% in week 13 and a 2024 high of 19,63% in week 52 and a 2023-high of

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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.



4. **The Open Cycle Gas Turbine (OCGT) load factor rose to 29,95% in the week ending 10 April from 22,69% in the prior week.** Year-to-date (1 to 10 April 2025), the OCGT load factor is 27,87%, substantially more than last year's figure of 7,82%. Eskom said the higher OCGT load factor was due to increased planned maintenance.
5. **A new Green Cape report forecasts that 6 GW of new private solar PV and 3,5 GW of wind capacity will be installed in South Africa by 2030, involving total investments of R132bn.** This, despite serious grid constraints and uncertainty over the future of public procurement, which led the authors to exclude from their estimate any new capacity arising from government's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) over the period. The report states that the industry is increasingly shifting to private off taker agreements with independent power producers (IPPs). The private agreements, meanwhile, are being further enabled through the use of wheeling; a financial arrangement that allows electricity generated by IPPs to be allocated across a transmission or distribution network to end consumers, regardless of their geographic location. This shift is especially prominent in the mining and industrial sectors, where export-oriented companies are seeking to prepare for the introduction in 2027 of a carbon border adjustment mechanism in Europe, and potentially in other markets too.

### Rest of Africa

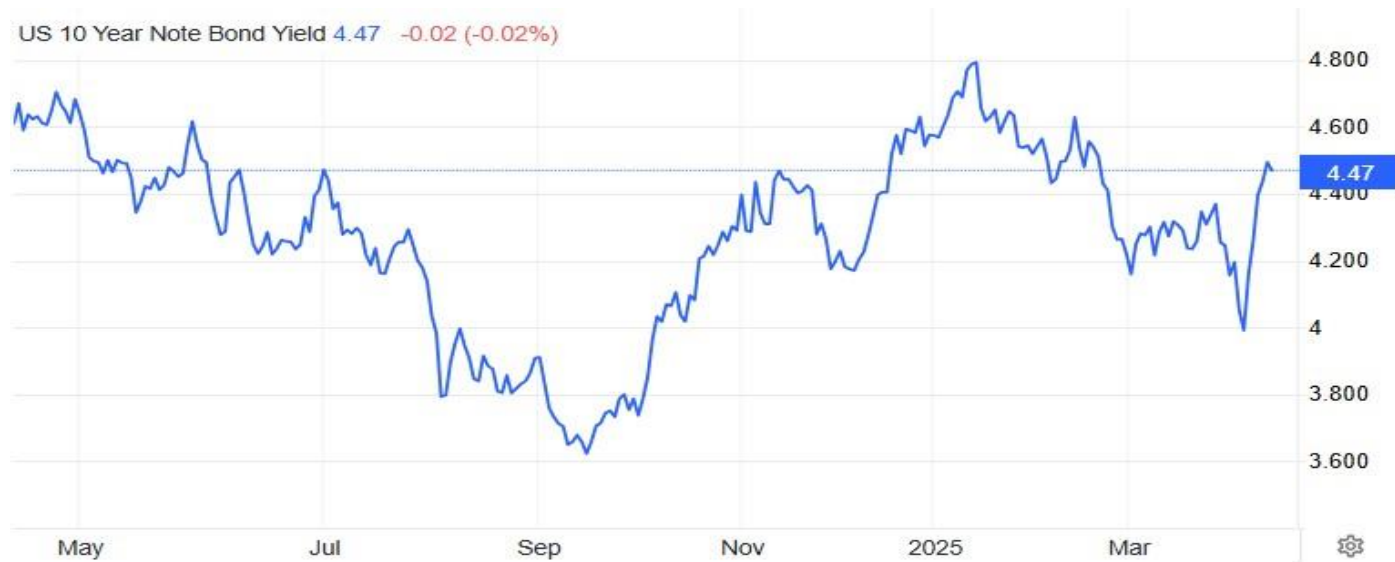
6. **Africa Finance Corporation (AFC) revenue rose to \$1,1bn in 2024 from \$890m in 2023.** The AFC's profits, to \$393,9m from \$329,7m. AFC's total assets also reached a record level last year, coming to \$14,4bn, a 16,7% rise over the 2023 figure.
7. **Consumer inflation in Angola eased to 23,85% y/y in March from 25,26% y/y in February and 26,48% y/y in January.** This was the slowest level since January 2024, helped by the relative stabilization of the kwanza.
8. **Consumer inflation in Egypt rose to 13,6% y/y in March from 12,8% y/y in February and 24,0% y/y in January.** The February 2025 rate was the lowest inflation rate since March 2022, as the impact of the sharp price increases over the past two years has faded. Food prices inflation rose to 6,6% from 3,7% in February. Also, prices quickened for housing and utilities (13,0% vs 12,9%) and clothing and footwear (23,0% vs 22,7%). Prices moderated for transport (33,9% vs 34,3%), furnishings, household equipment, and routine maintenance (15,6% vs 16,6%), communications (12,4% vs 12,5%), recreation and culture (19,7% vs 22,0%), restaurants and hotels (15,0% vs 17,6%), miscellaneous goods and services (15,0% vs 15,5%), alcoholic beverages and tobacco (25,0% vs 25,4%).
9. **The central bank of Kenya cut its benchmark lending rate by 75 basis points to 10,0%.** This was the fifth consecutive rate reduction. The Committee emphasized that further easing of the monetary policy was possible to stimulate private sector lending and economic activity, while also safeguarding exchange rate stability.
10. **Mozambique approved Eni's \$7,2bn floating liquefied natural gas (LNG) project.** This will be the second led by the Italian major to export the fuel. The Coral Norte LNG vessel will have an annual production capacity of 3,6 million tons. Coral Norte is scheduled to start production in the second quarter 2028.

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11. **Consumer inflation in Mozambique rose to 4,77% y/y in March from 4,74% y/y in February and 4,69% y/y in January.** Main upward pressure came from prices of food & non-alcoholic beverages (12,08% vs 11,89% in February); restaurants & hotels (6,09% vs 6,20%); miscellaneous goods & services (3,32% vs 2,95%) and recreation & culture (3,18% vs 2,23%).
12. **Consumer inflation in Rwanda rose to 4,9% y/y in March from 3,8% y/y in February and 5,7% y/y in January.** Price growth accelerated in the heavyweight category of food and non-alcoholic beverages (3,5% vs 1,5% in February vs 4,1% in January vs 5,7% in December). Also, prices rose at a faster pace for housing and utilities (2,7% vs 1,7%) and alcoholic beverages & tobacco (6,2% vs 3,0%) but eased for transport (11,8% vs 18,5%).
13. **Consumer prices in Senegal fell by 0,2% y/y in March after a 0,6% y/y gain in February and a 1,8% y/y rise in January.** The statistics agency said it has adopted 2023 as the new base year for its calculations, replacing the previous base year of 2014. This was the first decline in four periods, mainly driven by lower prices for food and non-alcoholic beverages (-0,9%) and information and communication goods and services (-8,1%). These declines were partially offset by price increases in other categories, particularly restaurants and accommodation services (+1,6%), furniture, household equipment, and routine maintenance (+1,7%), housing, water, electricity, gas, and other fuels (+0,9%), and transport (+1,0%).
14. **Zambia will resume construction of a power line linking it to East Africa.** Work on the Zambia–Tanzania Interconnector Project is set to resume this month, with estimated completion in 2028. The \$320m project to connect Zambia and Tanzania's power supplies is being financed by the World Bank, the European Union and Britain. The integrated market connecting the Southern and East African power pools would help lower electricity costs and increase energy security and create new opportunities for trade and investment in the power sector across Africa.

### International

15. **The trade war between China and the US is escalating.** The US has increased its tariffs on Chinese imports to 145%, while China has increased its tariffs on US imports to 125%. China has vowed to take "resolute and effective measures" to safeguard its rights and interests.
16. **US President Donald Trump announced a 90-day pause in implementing tariffs on 9 April, but specifically excluded China from the pause.** The 90 days end on US Independence Day. Japan will be the first country to negotiate with the US. Trump said that about 75 countries, including Japan, South Korea, the UK, and Vietnam, have reached out to initiate trade talks.
17. **Anti-American sentiment abroad has been on the rise, with President Donald Trump's unpredictable trade policies exacerbating the issue.** Communication and marketing teams at multinational companies are grappling with how America's reputation might be impacting their own. Since Trump took office in January, the average net favourability of the US has fallen by roughly 20 points worldwide. Canadian consumers are among the most likely to avoid American brands due to US trade policies. Various countries such as Canada and Germany have issued travel advisories to their citizens as well.
18. **US President Donald Trump claimed that "we're now making \$2bn a day", but BBC Verify cannot find any published figures which show this.** The US Treasury Department publishes a daily statement on how much money from customs duties goes to the federal government. Data from 8 April - which includes the impact of some of Trump's earlier tariffs - amounted to \$192m.
19. **Global bond markets weakened as recession fears escalated.** The US 10-year yield rose to 4,5% on 11 April from 4,01% on 4 April. This was the largest weekly jump since the week of 16 August 2001.





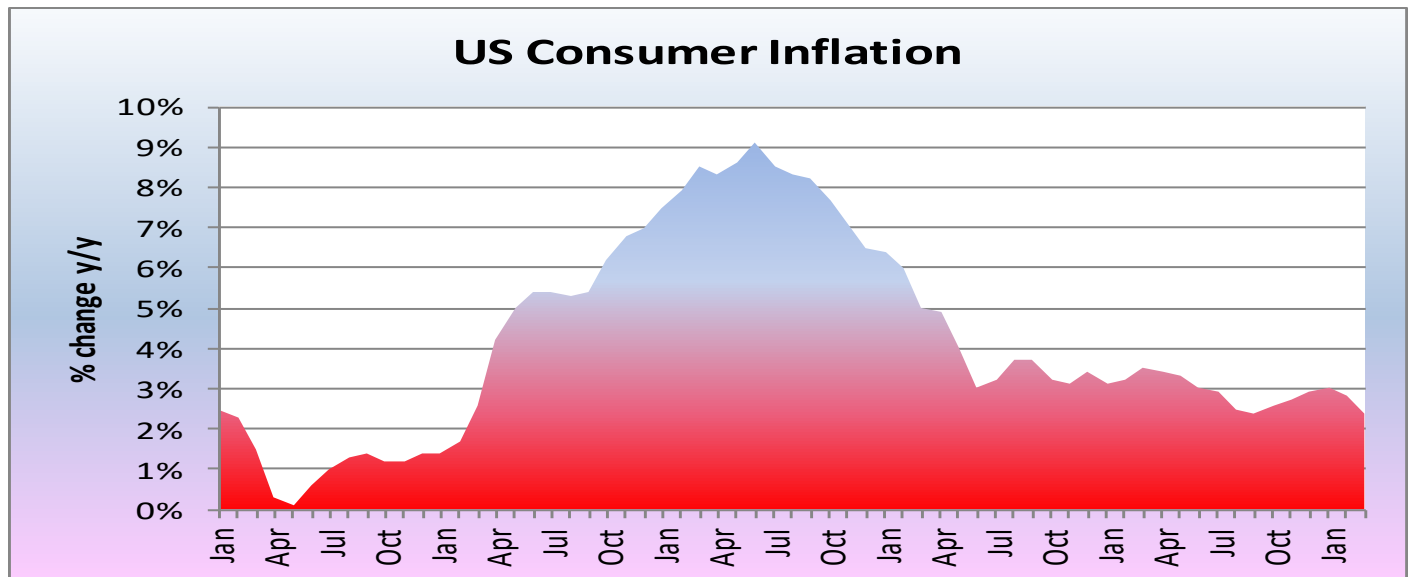
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- 20. Bridgewater founder Ray Dalio said that he is worried that the turmoil resulting from President Donald Trump's tariff and economic policies will threaten the global economy.** "Right now we are at a decision-making point and very close to a recession," Dalio said on NBC News' "Meet the Press." "And I'm worried about something worse than a recession if this isn't handled well." The hedge fund billionaire said he's more concerned about trade disruptions, mounting U.S. debt and emerging world powers bringing down the international economic and geopolitical structure that has been in place since July 1944 Bretton Woods Agreement.
- 21. Venezuela's National Assembly on 10 April approved a state of economic emergency decree proposed by President Nicolás Maduro in response to escalating US sanctions and tariffs.** The move follows the Trump administration's March decision to suspend authorizations for oil firms working with state-owned PDVSA and to impose secondary tariffs on Venezuelan oil and gas exports. The US has given companies like Chevron, Eni, and Repsol until 27 May to exit Venezuela.
- 22. The International Monetary Fund (IMF) has reached a staff-level agreement to provide Argentina with a new \$20bn loan over 48 months, pending approval from the IMF's executive board.** The deal, for which President Javier Milei lobbied Trump-era US officials, aims to support Argentina's ongoing free-market reforms. If approved, it will mark the country's 23rd IMF program since the 1950s. Argentina, already the IMF's largest debtor, is currently under a separate \$40bn bailout from a 2018 crisis. The IMF stated the new funds would back Argentina's efforts to stabilize its economy and promote sustainable growth amid a tough global environment.
- 23. The central bank of India cut its benchmark lending rate by 25 basis points to 6,0%.** The Monetary Policy Committee highlighted that headline inflation, especially food prices, is trending down. Additionally, the committee announced that while the economy remains resilient, the current global trade uncertainties pose significant risks.
- 24. The central bank of New Zealand cut its benchmark lending rate by 25 basis points to 3,5%.** This came after 50 basis points reductions in the October, November, and February meetings. The central bank has now cut rates by 200 basis points since last August, bringing borrowing costs to their lowest level since October 2022 amid potential global economic fallout due to the global trade war. The board noted that the annual inflation remained close to mid-points of the target range of 1 to 3%, and core inflation is consistent with inflation remaining at target over the medium term.
- 25. The central bank of the Philippines cut its benchmark lending rate by 25 basis points to 5,5%.** The cut was driven by easing inflation, with consumer prices rising just 1,8% y/y in March, the slowest pace since May 2020 and below the central bank's 2% to 4% target range. The rate cut also aimed to support the economy amid rising global trade tensions, which have raised concerns over a broader economic slowdown.
- 26. The central bank of Uruguay raised its benchmark lending rate by 25 basis points to 9,25%.** The central bank reaffirmed its goal of achieving inflation convergence toward the 4,5% target within the 24-month Monetary Policy Horizon. Globally, advanced economies face less favourable growth prospects and persistent upward pressure on core inflation.
- 27. Vietnam's economy expanded by 6,93% y/y in the first quarter after a 7,55% y/y gain in the fourth quarter.** By sector, growth softened in both services (7,70% vs 8,21% in Q4) and industry and construction (7,42% vs 8,35%), while agricultural output accelerated (3,74% vs 2,99%). Vietnam's Prime Minister Pham Minh Chinh said that Trump's tariffs did not change the government's target of at least 8,0% this year.
- 28. Chinese banks extended CNY 3,64 trillion in new yuan loans in March after CNY 1,01 trillion in February and a record CNY 5,13 trillion in January.** The March increase came as the authorities vow to intensify stimulus to support the economy amid a deepening trade conflict with the US.
- 29. China's new vehicle sales rose by 8,2% y/y in March after a 34,4% y/y surge in February and a 0,6% y/y drop in January.** The sharp increase in February came amid a low base effect last year when the Lunar New Year holiday fell in February. New energy vehicles (NEVs) soared by 87,1% in February to 892 000 units, accounting for 41,9% of total new vehicle sales. On a monthly basis, total car sales surged by 36,9% in March. For 2025, car sales are expected to grow by 4,7% to reach 32,9 million units, with NEVs predicted to grow by 24,4% to 16 million units. Last year, total vehicle sales rose by 4,5% to 31,436 million units, slowing sharply from a 12,0% jump in 2023.
- 30. China's central bank added gold to its reserves for a fifth straight month in March.** Gold held by the People's Bank of China rose by 0,09 million troy ounces. Chinese investors funnelled a record amount of cash into gold-backed exchange-traded funds last week, drawn by the safety of the asset as combative trade war rhetoric from the world's biggest economies shakes global markets. Inflows to four major onshore gold ETFs hit a record of 7,6bn yuan (\$1bn).
- 31. China's foreign trade surplus rose to US\$102,64bn in March 2025 from \$58,65bn in March 2024.** The increase was largely driven by a 12,4% y/y surge in exports, the fastest rise since last October, surpassing market forecasts of a 4,4% gain, as factories rushed to ship goods ahead of US President Donald Trump's upcoming tariffs. On the other hand, imports fell by 4,3% y/y.
- 32. US small-business optimism eased to 97,4 in March from 101,7 in February, 102,8 in January, 105,1 in December, 101,7 in November, 93,7 in October and 91,5 in September.** The December 2024 reading was the highest since October 2018. The March drop was the largest decline since June 2022. Meanwhile, the Uncertainty Index fell to 96, down eight points from February's second-

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highest reading on record. Small business owners have tempered their sales growth expectations, with a decline of 11 points to a net 3%, as they gain a clearer understanding of how new policy priorities affect their operations. Additionally, the percentage of owners anticipating better business conditions dropped 16 points to a net 21%, marking the third consecutive monthly decline and the largest drop since December 2020.

33. **The University of Michigan's consumer sentiment index eased to 50,8 in April from 57,0 in March and 64,7 in February.** This was its lowest level since June 2022. Sentiment declined for a fourth straight month, with many consumers citing the high level of uncertainty around policy and other economic factors. Consumers report multiple warning signs that raise the risk of recession: expectations for business conditions, personal finances, incomes, inflation, and labour markets all continued to deteriorate this month. The gauge for current economic conditions declined to 53,8 from 56,5 and the index measuring expectations fell to 47,2, the lowest since May 1980, from 52,6. Meanwhile, year-ahead inflation expectations surged to 6,7%, the highest reading since 1981, from 5,0%. The five-year expectations gauge edged up to 4,4% from 4,1%.
34. **Consumer inflation in the US eased to 2,4% y/y in March from 2,8% y/y in February, 3,0% y/y in January, 2,9% y/y in December, 2,7% y/y in November, 2,6% y/y in October and 2,4% y/y in September.** Prices for gasoline (-9,8% vs -3,1%) and fuel oil (-7,6% vs -5,1%) fell more while natural gas prices soared (9,4% vs 6,0%). Inflation also slowed for shelter (4,0% vs 4,2%), used cars and trucks (0,6% vs 0,8%), and transportation (3,1% vs 6,0%) while prices were unchanged for new vehicles (-0,3%). On the other hand, inflation accelerated for food (3,0% vs 2,6%).



35. **US producer inflation eased to 2,7% y/y in March from 3,2% y/y in February and 3,7% y/y in January.** The core producer inflation, which excludes food and energy costs, eased to 3,3% y/y in March from 3,5% y/y in February, 3,4% y/y in January, 3,5% y/y in December after being steady at 3,4% y/y in November and October.
36. **US initial jobless claims rose by 4 000 w/w to 223 000 in the week ending 5 April.** The weekly claim counts remained below averages from the second half of 2024, pointing to the continuation of a relatively strong labour market in the US that has allowed the Federal Reserve to increase its hawkish rhetoric.
37. **The US fiscal deficit narrowed to \$161bn in March 2025 from \$236bn in March 2024 and \$378bn in March 2023.** The narrowing was largely due to a calendar shift in benefit payments, according to the Treasury Department. Despite this monthly decline, the broader fiscal picture remains concerning, with the Treasury reporting a \$1,307 trillion deficit for the first half of fiscal 2025, a 23% increase from the previous year. This marks the second highest deficit for the first six months of any fiscal year, trailing only the \$1,706 trillion gap in fiscal 2021, which was heavily influenced by pandemic-related spending. Net customs duties in March reached \$8,75bn, the highest since September 2022, due in part to tariff increases initiated by President Donald Trump.
38. **Total US consumer credit declined by \$0,81bn in February after a \$8,9bn gain in January.** The February drop came in well below market expectations of a \$15,2bn rise. Revolving credit, which includes credit card debt, edged up by \$128m, while non-revolving credit—such as loans for vehicle purchases and education—fell by \$938m, the first decline in nearly a year.
39. **Consumer inflation in Argentina eased to 55,9% y/y in March from 66,9% y/y in February, 84,5% y/y in January, 117,8% y/y in December and 166,0% y/y in November.** This was the tenth consecutive month of disinflation and the softest increase since March 2022.
40. **Consumer inflation in Belarus rose to 5,9% y/y in March from 5,6% y/y in February after being steady at 5,2% y/y in January and December from 5,5% y/y in November.** Prices rose for food (7,5% vs 6,7% in February vs 6,5% in January vs 6,5% in

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December vs 6,7% in November), services (6,6% vs 6,5% vs 5,2% vs 5,0% vs 5,8%) and non-food products (3,3% vs 3,4% vs 3,3% vs 3,4% vs 3,7%).

41. **Consumer inflation in Brazil rose to 5,48% y/y in March from 5,06% y/y in February and 4,56% y/y in January.** Upward pressure came primarily from prices of food & beverages (7,68% vs 7,0% in February); transportation (6,05% vs 5,21%); health and personal care (5,79% vs 5,78%); personal expenses (5,28% vs 4,88%) and clothing (3,53% vs 2,95%).
42. **China's consumer prices fell by 0,1% y/y in March after a 0,7% y/y drop in February and a 0,5% y/y rise in January.** Non-food prices rose by 0,2%, reversing a slight dip of 0,1% in February. Core inflation, which excludes volatile food and fuel prices, rose 0,5% in March, rebounding from a 0,1% decrease in February.
43. **China's producer prices fell by 2,5% y/y in March after a 2,2% y/y drop in February.** During the first quarter 2025, factory-gate prices fell by 2,3%, following a 2,2% decline in 2024.
44. **Consumer inflation in Mongolia eased to 9,1% y/y in March from 9,6% y/y in February and 8,7% y/y in January.** Prices moderated mainly for food and non-alcoholic beverages (8,2% vs 9,3% in February), transport (4,7% vs 8,0%), and health (4,1% vs 4,7%). Meanwhile, inflation picked up slightly for restaurants and hotels (14,6% vs 14,3%) and miscellaneous goods and services (7,4% vs 7,3%).
45. **Consumer inflation in Russia rose to 10,3% y/y in March from 10,1% y/y in February, 9,9% y/y in January and 9,5% y/y in December.** The result was aligned with the central bank of Russia's warning that inflation would rise sharply this year due to a weak rouble, a labour force crisis forced by the military mobilization, and soaring levels of deficit spending. Inflation was the sharpest for services (12,9%) and food products (12,4%), lifted by fruits and vegetables (18,9%). In the meantime, inflation for non-food products was relatively lower at 6,0%.
46. **Russia's foreign trade surplus widened to \$10,5bn in February from \$7,16bn in January and \$5,575bn in December.** The December 2024 surplus was the smallest foreign trade surplus since August 2020, and the lowest for a December since 2002. Exports out of Russia contracted by 2,8% y/y to \$30,9bn as a slowdown in commodity imports from China and the higher magnitude of sanctions from G7 economies pressed Russia's foreign sales. In turn, imports sank by 10,2% y/y to \$20,4bn, the lowest since the immediate aftermath of Russia's invasion of Ukraine in Q2 2022, as the weakening domestic economy limited demand for goods.
47. **Russia's current account surplus narrowed to \$19,8bn in the first quarter 2025 from \$24,0bn in the first quarter 2024.** The surplus for goods narrowed to \$32,5bn from \$34,8bn, pressured by slowing demand for energy from China, which has been the main costumer for heavyweight commodity exports for Russia since Western sanctions from 2022. Also, the gap for primary and secondary incomes widened to \$5,4bn from \$3,5bn. The deficit for services was steady at \$7,4bn.
48. **Russia's fiscal deficit widened to RUB 2,17 trillion in the first quarter of 2025 from only RUB 0,61 trillion in the first quarter 2024.** The first quarter 2025 deficit is equivalent to 1,1% of GDP. Spending was RUB 11,22 trillion in the first quarter 2025, while revenues totalled RUB 9,05 trillion.
49. **India's industrial production growth eased to 2,9% y/y in February from 5,2% y/y in January.** This was the weakest expansion since August, driven by slower growth in several key sectors.
50. **The UK's industrial production rose by 1,5% m/m in February after a 0,5% m/m drop in January.** This was the strongest growth in industrial activity since June 2023, as output recovered for manufacturing (2,2% vs -1,0% in January) and electricity, gas, steam and air-conditioning supply (2,0% vs -1,1%). On the other hand, output contracted for mining and quarrying (-3,0% vs 0,8%) while it eased for water supply, sewerage and waste management (1,1% vs 2,6%).
51. **The number of visitor arrivals in New Zealand fell by 2,3% y/y in February to 354 408 after rising by 13,4% y/y in January to 370 238.** The rise in arrivals from China in January coincided with the Chinese Lunar New Year, which began on 29 January 2025, and typically causes a seasonal peak in January or February, depending on the holiday's timing. For comparison, the Lunar New Year in 2024 started on 10 February.
52. **The Brazilian Business Confidence Index eased to 48,0 in April from 49,2 in March.** This was the lowest reading since July 2020. The drop reflects mounting pessimism among industrial firms amid signs of an economic slowdown, persistent high interest rates, and a stronger US dollar. Expectations for business performance over the next six months fell slightly to 55,5 from 56,2, while broader economic expectations declined more sharply to 41,1 from 43,0. Assessments of the current situation also worsened: confidence in the current state of companies slipped to 46,6 from 47,6, and sentiment regarding the Brazilian economy deteriorated further to 34,8 from 36,6.
53. **More than half of honeybee colonies in the US died off over the winter.** This is potentially the largest loss in US history according to the New Scientist. An estimated 1,6m colonies were lost, including about 62% of commercial hives. The losses will have wide-ranging economic impacts beyond beekeepers themselves, the outlet added, due to bees' importance in pollinating many crops.

## WEEKLY ECONOMIC BRIEFING

54. **March 2025 was Europe's warmest March since records began.** Globally, March was 1,59C hotter than the average for 1850 to 1900, the period referred to as 'pre-industrial'. This makes last month the twentieth out of the last 21 months to exceed the 1,5C warming target laid out in the Paris Climate Agreement.
55. **The International Energy Agency (IEA) estimates that electricity demand from data centres worldwide is set to more than double by 2030 to an estimated 945 TWh.** AI is expected to be the most significant driver of this increase, with electricity demand from AI-optimised data centres projected to more than quadruple by 2030. In the US, power consumption by data centres is on course to account for almost half of the growth in electricity demand between now and 2030. Driven by AI use, the US economy is set to consume more electricity in 2030 for processing data than for manufacturing all energy-intensive goods combined, including aluminium, steel, cement and chemicals. Cyberattacks on energy utilities have tripled in the past four years and become more sophisticated because of AI. At the same time, energy companies are using AI to defend against such attacks.

**Figure 2.20** ▶ **Global electricity generation for data centres and the associated CO<sub>2</sub> emissions in the Base Case, 2020-2035**

