



HIGHLIGHTS

South Africa

1. Ratings agency S&P Global reaffirmed its positive outlook on 16 May, while keeping the ratings the same.
2. Government and business will now meet every six weeks rather than quarterly.
3. The South African Chamber of Commerce and Industry's (SAACI) Trade Activity Index (TAI) eased to 53 in April from 56 in March.
4. Total employment rose by 0,3% y/y in the first quarter, so the unemployment rate was steady at 32,9% in the first quarter 2025 and the first quarter 2025.
5. Mining production contracted by 4,5% q/q in the first quarter after a 0,7% q/q drop in the fourth quarter
6. Mineral sales rose by 1,6% y/y in March after a revised 11,4% (12,9%) y/y fall in February.
7. The volume of bulk exports rose by 6,2% y/y in April after a 15,9% y/y jump in March, a 1,7% y/y drop in February and a 9,1% y/y jump in January.
8. The number of full containers exported fell by 11,2% y/y in April after a 2,7% y/y gain in March
9. Eskom's Energy Availability Factor (EAF) rose to 59,57% in week 19 from 57,45% in week 18
10. Eskom implemented Stage 2 load shedding on 13 May.

Rest of Africa

11. The International Monetary Fund (IMF) lowered Angola's 2025 growth forecast to 2,4% from 3,0%.
12. Consumer inflation in Angola eased to 22,232% y/y in April from 23,85% y/y in March, 25,26% y/y in February and 26,48% y/y in January.
13. Construction has again been halted at Lesotho Highlands Water Project Phase 2 (LHWP)2 due to a contractor polluting nearby rivers and the Katse Dam, contaminating crucial drinking water supplies with acidic wastewater.
14. Consumer inflation in Namibia eased to 3,6% y/y in April from 4,2% y/y in March.
15. Tunisia's economy expanded by 1,6% y/y in the first quarter after a 2,4% y/y gain in the fourth quarter.
16. The International Monetary Fund (IMF) said Zambia's economy has shown encouraging resilience despite economic shocks.
17. The grid-connected 100 MW Chisamba solar PV project, in Zambia, has secured \$71,5m from financial services firm Stanbic Bank Zambia, with financing anchored by a 13-year power purchase agreement with GreenCo Power Services.

International

18. China and the US agreed to ease trade tensions on 12 May.
19. China cut its holdings of US Treasuries in March.
20. The central bank of Mexico cut its benchmark lending rate by 50 basis points to 8,5%.
21. The International Monetary Fund (IMF) will release US\$ 1,3bn to Bangladesh in June.
22. The British economy expanded by 1,3% y/y in the first quarter after a 1,5% y/y gain in the fourth quarter.
23. Japan's economy contracted by 0,2% q/q in the first quarter after a 0,6% q/q gain in the fourth quarter.
24. Kazakhstan's economy expanded by 5,6% y/y in the first quarter after a 4,8% y/y gain in the fourth quarter.
25. Mongolia's economy expanded by 2,4% y/y in the first quarter after a 4,9% y/y gain in the fourth quarter.
26. Thailand's economy expanded by 3,1% y/y in the first quarter after a 3,3% y/y gain in the fourth quarter.
27. The US credit rating was downgraded by Moody's Ratings on 16 May.
28. US customs duties rose to a record \$16,3bn in April from \$8,75bn in March.
29. The US fiscal surplus rose to \$258bn in April 2025 from \$210bn in April 2024.
30. The share of outstanding US consumer debt that's in delinquency rose to 4,3% in the first quarter from 3,6% in the fourth quarter.
31. US small-business optimism eased to 95,8 in April from 97,4 in March, 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.
32. The University of Michigan's consumer sentiment index eased to 50,8 in May from 52,2 in April, 57,0 in March and 64,7 in February.
33. The US National Association of Home Builders sentiment index fell to 34 in May from 40 in April.
34. Millions of Americans from the upper Midwest to the Gulf Coast are facing the biggest threat of power supply shortfalls in the US this summer.
35. Consumer inflation in the US eased to 2,3% y/y in April from 2,4% y/y in March and 2,8% y/y in February.

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36. US producer inflation eased to 2,4% y/y in April from a revised 3,4% (2,7%) y/y in March, 3,2% y/y in February and 3,7% y/y in January.
37. US beef prices rose by 12,8% y/y in March as the country's cattle inventory reaches its lowest level in more than 70 years.
38. The number of Americans filing new claims for unemployment benefit was unchanged w/w at 229 000 in the week ending 10 May.
39. US retail trade sales rose by 0,1% m/m in April after a revised 1,7% (1,4%) m/m jump in March and a 0,2% m/m gain in February.
40. US industrial production was unchanged m/m in April after falling by 0,3% m/m in March and a 0,8% m/m gain in February.
41. US single-family housing starts fell by 2,1% m/m in April to a seasonally adjusted annualised rate of 927 000 units.
42. Chinese banks extended CNY 280 billion in new yuan loans in April from CNY 3,64 trillion in March, CNY 1,01 trillion in February and a record CNY 5,13 trillion in January.
43. China's vehicle sales rose by 9,8% y/y in April after an 8,2% y/y gain in March.
44. Consumer inflation in Argentina eased to 47,3% y/y in April from 55,9% y/y in March, 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.
45. Consumer inflation in India eased to 3,16% y/y in April from 3,34% y/y in March.
46. Consumer inflation in Russia eased to 10,2% y/y in April from 10,3% y/y in March, 10,1% y/y in February, 9,9% y/y in January and 9,5% y/y in December.
47. Visitor arrivals to New Zealand fell by 8,4% y/y in March to 311 800 after a 2,3% y/y decline in February to 354 408 and rising by 13,4% y/y in January to 370 238.
48. Japan's foreign trade surplus narrowed to ¥544,1bn in March from ¥590,5bn in February.
49. The German ZEW Indicator of Economic Sentiment rose to 25,2 in May from -14,0 in April and 51,6 in March.
50. Wind turbine manufacturers installed a record 127 GW of new wind power capacity in 2024
51. Taiwan shut down its last nuclear power reactor on 17 May.
52. The Brazilian Business Confidence Index rose to 48,9 in May from 48,0 in April and 49,2 in March.

South Africa

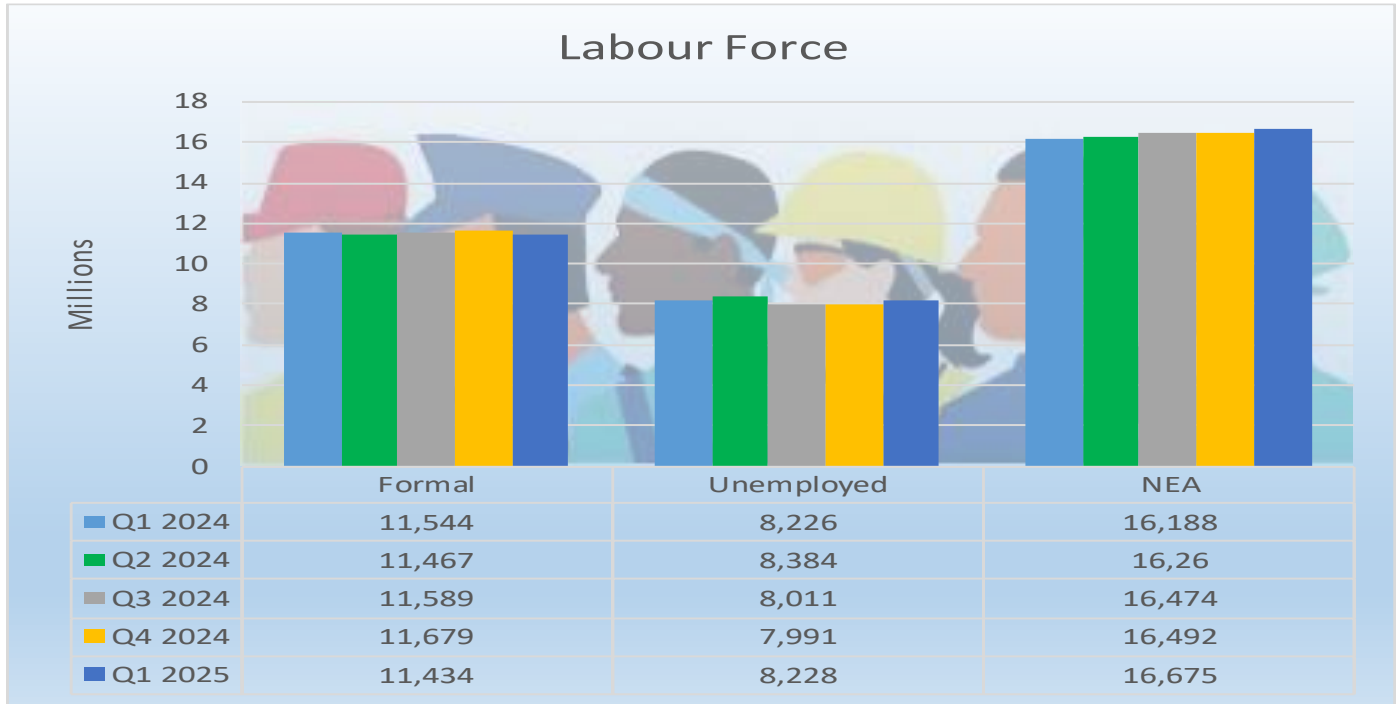
1. **Ratings agency S&P Global reaffirmed its positive outlook on 16 May, while keeping the ratings the same.** S&P sees potential upside that would lead it to increase South Africa's credit rating if an improving track record of effective reforms resulted in the strengthening of economic growth and reduced government debt and contingent liabilities. On the other hand, it notes the downside risk is if ongoing economic and governance reforms do not progress, resulting in a deterioration in economic growth or a higher-than-expected fiscal deficit and interest burden.
2. **Government and business will now meet every six weeks rather than quarterly.** It is abundantly clear to everyone how serious poor economic growth is. The two parties have now agreed to accelerate reforms by introducing several "sprint" approaches to getting things done.
3. **The South African Chamber of Commerce and Industry's (SAACI) Trade Activity Index (TAI) eased to 53 in April from 56 in March.** SACCI said it would appear that the actions taken to enhance local economic performance are perceived as positive despite a global uncertain economic environment.

Current Trade Conditions Index (TAI)*

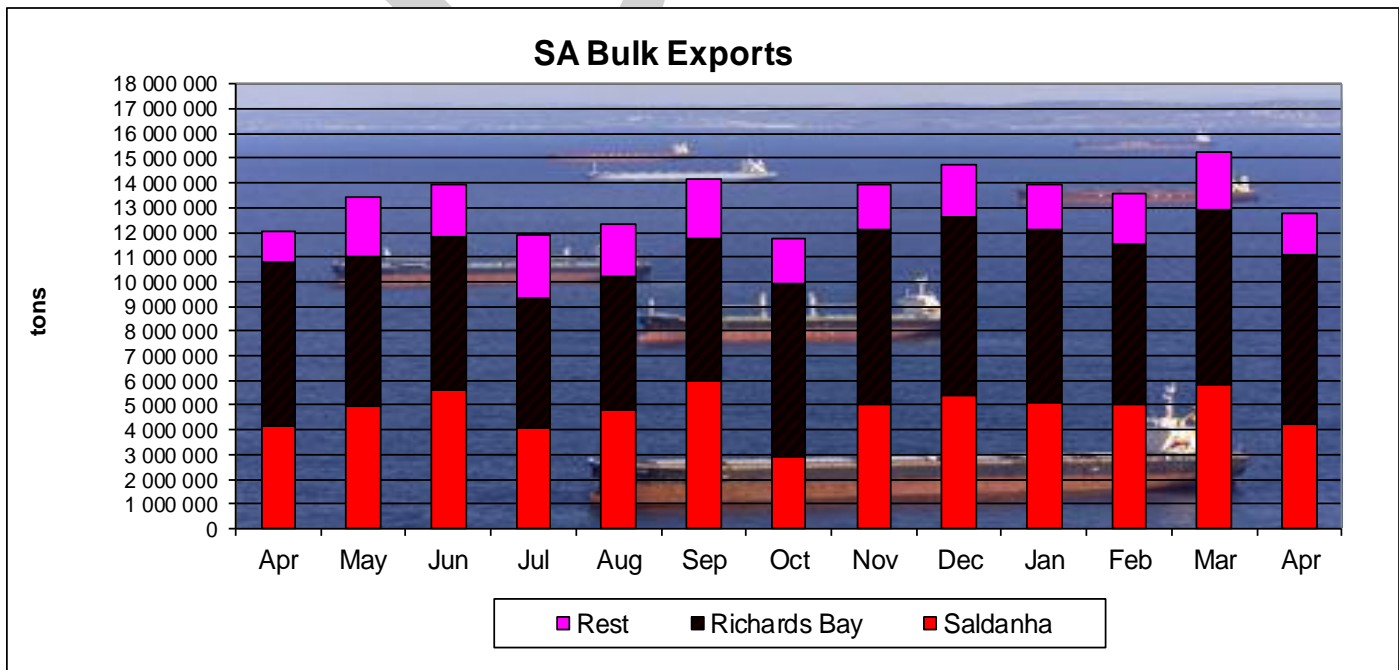
Activity	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25
Sales volumes	40	37	41	47	63	57
New orders	33	28	41	53	60	55
Backlog on orders received	25	20	26	33	32	34
Supplier deliveries	38	35	38	47	53	52
Inventory level	40	35	44	47	50	45
Selling prices	55	57	62	61	57	50
Input prices	68	65	65	67	68	71
Employment	45	41	38	33	40	34
TAI	38	35	40	46	55	49
TAI seasonally adjusted	37	44	36	43	56	53

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4. Total employment rose by 0,3% y/y in the first quarter, so the unemployment rate was steady at 32,9% in the first quarter 2025 and the first quarter 2024. Formal sector employment dipped by 1,0% y/y, while informal sector employment jumped by 8,6% y/y.

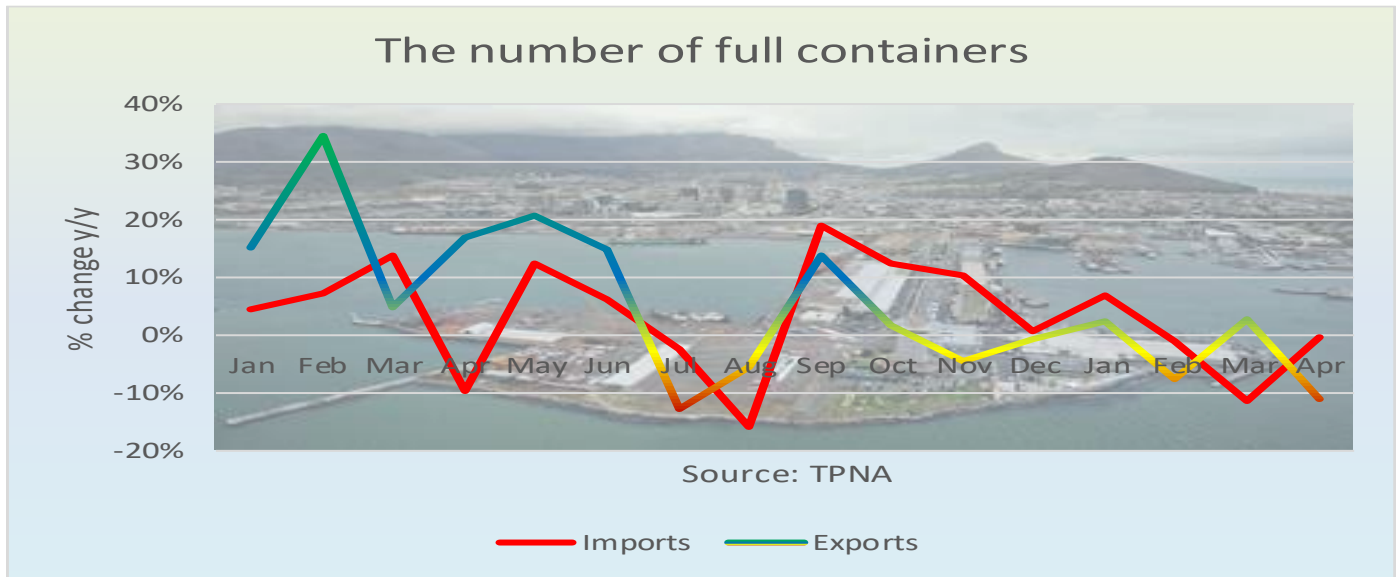


5. Mining production contracted by 4,5% q/q in the first quarter after a 0,7% q/q drop in the fourth quarter. The largest negative contributor was PGMs (-13,7%), while the largest positive contributor was iron ore (8,0%).
6. Mineral sales rose by 1,6% y/y in March after a revised 11,4% (12,9%) y/y fall in February. The largest positive contributors in March were: iron ore (15,9%), gold (13,9%); and coal (6,0%). The largest negative contributor was PGMs (-13,9%).
7. The volume of bulk exports rose by 6,2% y/y in April after a 15,9% y/y jump in March, a 1,7% y/y drop in February and a 9,1% y/y jump in January. The volume of bulk exports rose by 1,9% in 2024 to 158,3 million tons. I saw no media report on this.

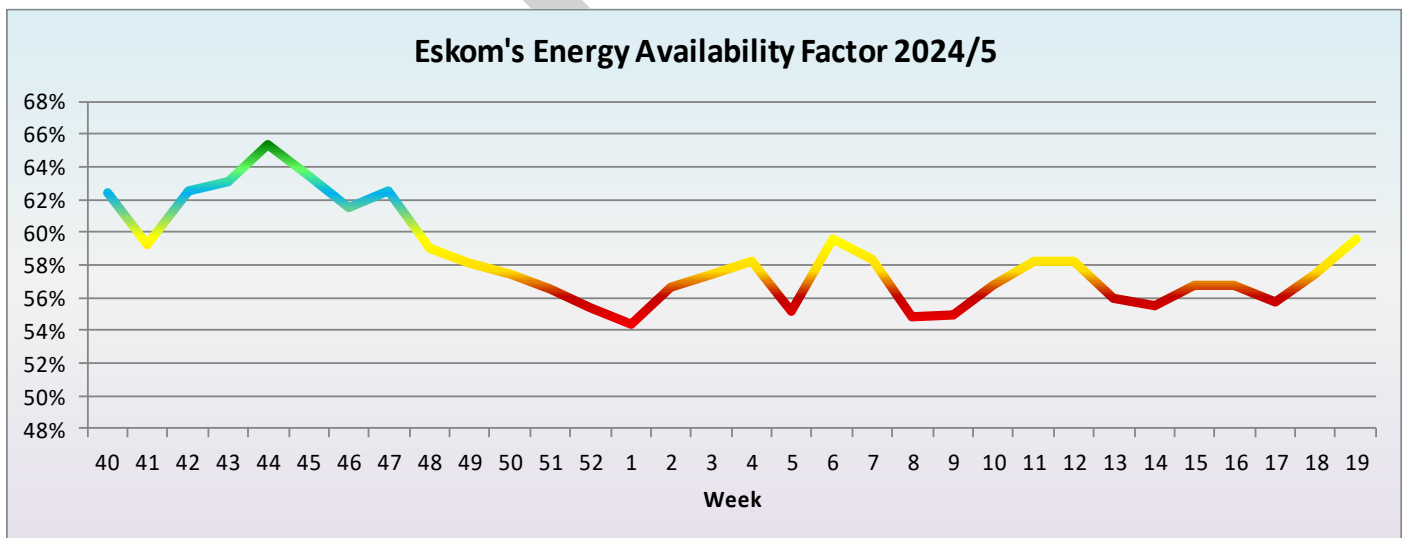


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8. **The number of full containers exported fell by 11,2% y/y in April after a 2,7% y/y gain in March.** On the other hand, there was a small 0,4% y/y decline in the number of full containers imported after a 11,4% y/y drop in March. I saw no media report on this.



9. **Eskom's Energy Availability Factor (EAF) rose to 59,57% in week 19 from 57,45% in week 18.** I saw no media coverage of this important indicator. I expect the EAF to move above 60% in coming weeks as Eskom cuts back on planned maintenance. Unplanned outages eased to 26,79% in week 19 from 27,86% in week 18 and only 23,05% in week 7. Planned maintenance eased to 13,27% in week 19 from 14,24% in week 18, 16,53% in week 16 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.



10. **Eskom implemented Stage 2 load shedding on 13 May.** This was the sixth bout of load shedding so far this year. Eskom said that higher-than-expected electricity demand, the loss of generation units and extensive planned maintenance had placed strain on the electricity system. Three major Eskom projects are on track to bring an additional 2 500 MW onto the grid — a crucial milestone toward full recovery, with commitment from our private sector partners to deliver on their commitments.

Rest of Africa

11. **The International Monetary Fund (IMF) lowered Angola's 2025 growth forecast to 2,4% from 3,0%.** This is due to falling oil prices and tighter external financing conditions.

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12. **Consumer inflation in Angola eased to 22,232% y/y in April from 23,85% y/y in March, 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.
13. **Construction has again been halted at Lesotho Highlands Water Project Phase 2 (LHWP)2 due to a contractor polluting nearby rivers and the Katse Dam, contaminating crucial drinking water supplies with acidic wastewater.** This environmental crisis exacerbates existing financial mismanagement. The Auditor General recently confirmed that project costs soared by R11bn within a single year, primarily due to contractor delays. Initially budgeted at R8bn in 2008 (around R19bn adjusted for inflation), the latest cost estimates have surged to R53bn.
14. **Consumer inflation in Namibia eased to 3,6% y/y in April from 4,2% y/y in March.** Inflation slowed down for food & non-alcoholic beverages (5,6% vs 6,2% in March); alcoholic beverages & tobacco (4,9% vs 5,5%); and hotels, cafes & restaurants (6,3% vs 6,8%). In addition, decreases were seen for transportation (-0,3% vs 2,6%) and communications (-0,7% vs -0,1%).
15. **Tunisia's economy expanded by 1,6% y/y in the first quarter after a 2,4% y/y gain in the fourth quarter.** The slowdown was driven by weaker performance in several key sectors, including trade and repair (1,9% vs 2,3%), information and communication (0,1% vs 1,3%), public administration and defence (1,6% vs 1,9%), mechanical and electrical industries (0,8% vs 2,5%), and agriculture, forestry, and fishing (7,0% vs 12,1%).
16. **The International Monetary Fund (IMF) said Zambia's economy has shown encouraging resilience despite economic shocks.** Growth is expected to strengthen in 2025, supported by an anticipated rebound in agriculture and a pickup in mining activity. However, a slow recovery in electricity generation and electricity shortages could undermine the rebound, underscoring the need for sustained reforms in the energy sector.
17. **The grid-connected 100 MW Chisamba solar PV project, in Zambia, has secured \$71,5m from financial services firm Stanbic Bank Zambia, with financing anchored by a 13-year power purchase agreement with GreenCo Power Services.** GreenCo will supply the energy to copper mining company First Quantum Minerals (FQM), with blended renewable power to support critical industrial operations under a separate power supply agreement. Commercial operation is expected to be achieved in June.

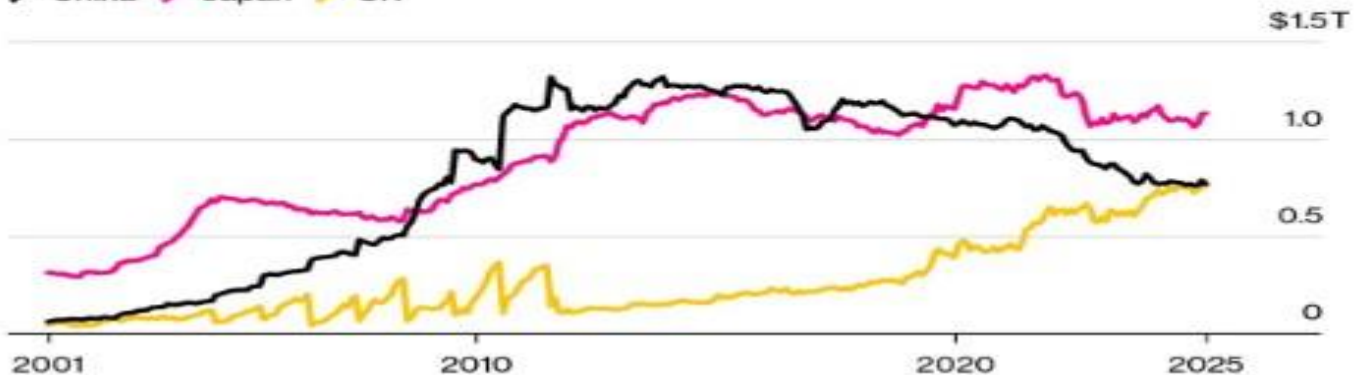
International

18. **China and the US agreed to ease trade tensions on 12 May.** The US agreed to cut the "reciprocal" tariff it inflicted on China in April from 125% to 10% for at least 90 days. China has agreed to do the same. It will also suspend other retaliatory measures, such as restrictions on 17 American companies deemed "unreliable entities".
19. **China cut its holdings of US Treasuries in March.** The UK replaced it as the second largest overseas owner. China was the top holder of Treasuries as recently as 2019, when Japan overtook it. Total overseas holdings of the debt rose \$233.1 billion, to \$9.05 trillion. While the release showed there was no revolt against American government securities in the first few months of the Trump administration, the data predates the destabilization of the US Treasuries market in April following Trump's rollout of "reciprocal" tariffs.

Foreign Holdings of US Treasuries

China was surpassed by Japan as the top foreign owner in 2019, and has now slipped behind the UK

China Japan UK

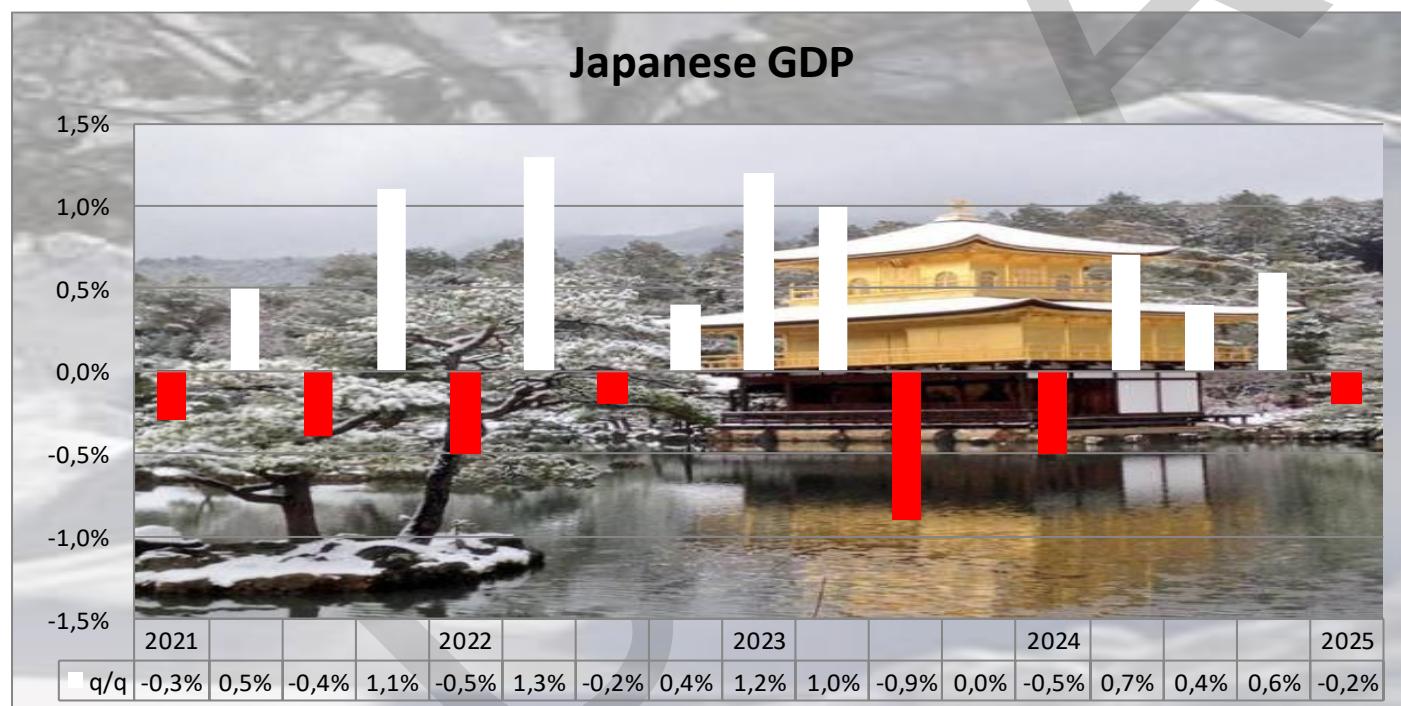


20. **The central bank of Mexico cut its benchmark lending rate by 50 basis points to 8,5%.** This is the lowest rate since August 2022.
21. **The International Monetary Fund (IMF) will release US\$ 1,3bn to Bangladesh in June.** This followed the completion of the fourth review of its \$4,7bn loan program, the country's finance ministry announced. This release, covering the fourth and fifth tranches, had

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been delayed due to IMF demands for greater exchange rate flexibility, particularly the adoption of a crawling peg system. The breakthrough came after April talks in Dhaka and follow-up discussions during the Bank-Fund Spring Meetings in Washington, which addressed key reforms in revenue management, fiscal policy, and the foreign exchange regime.

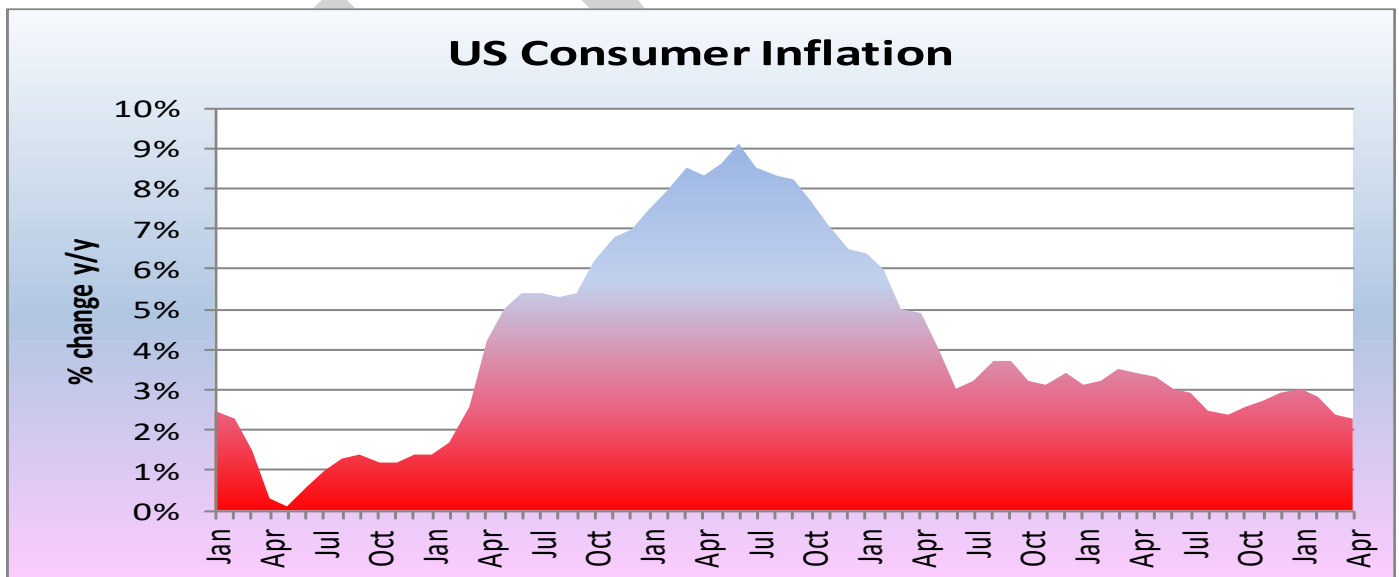
- 22. The British economy expanded by 1,3% y/y in the first quarter after a 1,5% y/y gain in the fourth quarter.** The services sector expanded by 1,5%, down from 1,9% in Q4, while construction output rose by 0,9%, matching the previous quarter's growth. In contrast, industrial production continued to decline, though at a slower rate (-0,2% vs -1,1%).
- 23. Japan's economy contracted by 0,2% q/q in the first quarter after a 0,6% q/q gain in the fourth quarter.** This was the first quarterly contraction in a year, weighed by concerns over the impact of US trade policies under President Donald Trump and weak demand from major trading partners including China. The net trade subtracted 0,8 percentage points from the economy, as exports fell for the first time since Q1 2024 (-0,6% vs 1,7% in Q4), while imports rebounded (2,9% vs -1,4%). At the same time, private consumption—accounting for over half of economic output— was flat, missing forecasts of a 0,1% rise. Government spending also stagnated after rising in the prior three quarters. Positively, business investment accelerated robustly (1,4% vs 0,8%), posting its strongest gain since Q2 2024.



- 24. Kazakhstan's economy expanded by 5,6% y/y in the first quarter after a 4,8% y/y gain in the fourth quarter.** Goods production rose by 7,7%, driven by strong performances in manufacturing (8,7%), mining (6,1%), and construction (16,9%). The services sector grew by 4,5%, supported by wholesale and retail trade, including motor vehicle and motorcycle repair (6,3%), transport and storage (21,0%), education (2,2%), financial and insurance activities (1,7%), and real estate services (1,6%).
- 25. Mongolia's economy expanded by 2,4% y/y in the first quarter after a 4,9% y/y gain in the fourth quarter.** This was the weakest economic growth since the second quarter 2022, amid contractions in transportation (-1,2%) and wholesale and retail trade (-0,6%), while construction activity remained flat. Meanwhile, output increased for agriculture (1,0%), manufacturing (0,4%), and services (1,2%).
- 26. Thailand's economy expanded by 3,1% y/y in the first quarter after a 3,3% y/y gain in the fourth quarter.** Private consumption (2,6% vs 3,4% in Q4), government spending (3,4% vs 5,4%), and fixed investment (4,7% vs 5,1%) all showed slower growth. On the trade front, exports (12,3% vs 11,5%) increased faster than imports (2,1% vs 8,2%), contributing positively to GDP, as factories rushed to ship goods ahead of Trump's new tariffs.
- 27. The US credit rating was downgraded by Moody's Ratings on 16 May.** The one-notch cut comes more than a year after Moody's changed its outlook on the US rating to negative. The federal budget deficit is running near \$2 trillion a year, or more than 6% of gross domestic product, and Congressional Republicans are pushing through budget legislation that could add trillions of dollars more. "While we recognize the US' significant economic and financial strengths, we believe these no longer fully counterbalance the decline in fiscal metrics," Moody's wrote in a statement. Moody's lowered the US credit score to Aa1 from Aaa, joining Fitch Ratings and S&P Global Ratings in grading the world's biggest economy below the top, triple-A position.

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28. **US customs duties rose to a record \$16,3bn in April from \$8,75bn in March.** This is still well short of the \$2bn per day that President Donald Trump said he was expecting.
29. **The US fiscal surplus rose to \$258bn in April 2025 from \$210bn in April 2024.** Despite the y/y increase, the fiscal year-to-date deficit is \$1,05 trillion, which is still 13% higher than a year ago. Receipts rose by 10% y/y in April, while outlays declined by 4% y/y. Year to date, receipts are up by 5%, while expenditures have risen by 9%. High interest rates are still posing a budgetary burden. Net interest on the \$36,2 trillion national debt totalled \$89bn in April, higher than every other category except Social Security. For the fiscal year, net interest has run to \$579bn.
30. **The share of outstanding US consumer debt that's in delinquency rose to 4,3% in the first quarter from 3,6% in the fourth quarter.** This is the highest since 2020 according to the Quarterly Report on Household Debt and Credit.
31. **US small-business optimism eased to 95,8 in April from 97,4 in March, 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.
32. **The University of Michigan's consumer sentiment index eased to 50,8 in May from 52,2 in April, 57,0 in March and 64,7 in February.** This was its lowest level since June 2022. Sentiment declined for a fifth 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 report also highlighted a surge in inflation fears, with year-ahead inflation expectations jumping from 6,5% to 7,3%.
33. **The US National Association of Home Builders sentiment index fell to 34 in May from 40 in April.** All three components that make up the index fell, with a measure of expected sales in the next six months sliding to an 18-month low. A gauge of present sales dropped to the lowest since late 2022, while traffic of prospective buyers was the weakest in 1 1/2 years.
34. **Millions of Americans from the upper Midwest to the Gulf Coast are facing the biggest threat of power supply shortfalls in the US this summer.** About 89 million people access three grids spanning parts of the central US now deemed an elevated risk zone. The shutdown of older power plants, possible forced outages and high demand are contributing to potential deficits, the North American Electric Reliability Corp. said.
35. **Consumer inflation in the US eased to 2,3% y/y in April from 2,4% y/y in March and 2,8% y/y in February.** This was the lowest inflation print since February 2021. Energy prices also picked up noticeably in April after declining in March, as increases in electricity and gas prices more than offset a decline in gasoline prices. Core inflation, which excludes food and energy, was steady at 2,8% y/y in April and March.



36. **US producer inflation eased to 2,4% y/y in April from a revised 3,4% (2,7%) y/y in March, 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 3,1% y/y in April from a revised 4,0% (3,3%) y/y in March, 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.
37. **US beef prices rose by 12,8% y/y in March as the country's cattle inventory reaches its lowest level in more than 70 years.** The average price of a pound of ground beef rose to a record \$5,79 in US cities. The price of uncooked beef steaks also reached

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record highs at \$10,98 per pound. A years-long drought in the American west has dried up grazing lands and US ranchers have been steadily shrinking their herds.

- 38. The number of Americans filing new claims for unemployment benefit was unchanged w/w at 229 000 in the week ending 10 May.** 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.
- 39. US retail trade sales rose by 0,1% m/m in April after a revised 1,7% (1,4%) m/m jump in March and a 0,2% m/m gain in February.** The March jump was the largest increase in retail sales since January 2023, driven by a surge in motor vehicle and parts sales, as consumers appeared to rush purchases ahead of impending auto tariffs. Biggest increases in April were seen in sales at food services and drinking places (1,2%), building material and garden equipment supplies dealers (0,8%), furniture (0,3%) and electronics and appliances stores (0,3%). On the other hand, the largest decreases were recorded at sporting goods, hobby, musical instrument, & book stores (-2,5%), miscellaneous store retailers (-2,1%), gasoline stations (-0,5%), clothing (-0,4%), health and personal care (-0,2%) and general merchandise stores (-0,2%).
- 40. US industrial production was unchanged m/m in April after falling by 0,3% m/m in March and a 0,8% m/m gain in February.** Declines in manufacturing and mining were offset by a solid gain in utilities output. Manufacturing output fell 0,4%, reversing a 0,4% increase in March, while mining slipped 0,3% after rising by 1,1% in March. On the other hand, utilities output jumped 3,3%, driven by higher demand for both electricity and natural gas.
- 41. US single-family housing starts fell by 2,1% m/m in April to a seasonally adjusted annualised rate of 927 000 units.** This is the slowest rate since July 2024. Permits for future construction of single-family housing declined by 5,1% m/m to a rate of 922 000 units.
- 42. Chinese banks extended CNY 280 billion in new yuan loans in April from CNY 3,64 trillion in March, CNY 1,01 trillion in February and a record CNY 5,13 trillion in January.** This was the lowest new credit extension for the period since 2005. The slump reflected the initial impact of the trade war with the US, hampering business and household appetite for new credit.
- 43. China's vehicle sales rose by 9,8% y/y in April after an 8,2% y/y gain in March.** New energy vehicles (NEVs) soared by 44,2% y/y in April to 1,226 million units, the second consecutive month of increase, accounting for 47,3% of total new vehicle sales last month. Considering the first four months of 2025, car sales rose by 10,8% to 10,06 million units, with NEVs soaring 46,2%. 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.
- 44. Consumer inflation in Argentina eased to 47,3% y/y in April from 55,9% y/y in March, 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 11th consecutive month of disinflation and the softest increase since April 2021.
- 45. Consumer inflation in India eased to 3,16% y/y in April from 3,34% y/y in March.** As a result, the inflation rate further below the Reserve Bank of India's 4% midpoint target, strengthening the case for additional rate cuts by the central bank. Food prices, which accounts for nearly half of the consumer price basket, rose only 1,78%, the least since October 2021, and down from 2,69% in March.
- 46. Consumer inflation in Russia eased to 10,2% y/y in April from 10,3% y/y in March, 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 (12,7%). The consumer basket average for goods excluding food was (9,3%).
- 47. Visitor arrivals to New Zealand fell by 8,4% y/y in March to 311 800 after a 2,3% y/y decline in February to 354 408 and rising by 13,4% y/y in January to 370 238.** The decline was likely influenced by the timing of Easter, which fell later in 2025 compared to 2024. The March 2025 total was 82% of pre-pandemic levels recorded in March 2019.
- 48. Japan's foreign trade surplus narrowed to ¥544,1bn in March from ¥590,5bn in February.** Exports rose by 3,9% y/y, while imports grew by 2,0% y/y.
- 49. The German ZEW Indicator of Economic Sentiment rose to 25,2 in May from -14,0 in April and 51,6 in March.** The survey indicates growing optimism for the next six months, driven by the formation of a new federal government, progress in resolving tariff disputes, and signs of stabilizing inflation. Nearly all sectors reported improved sentiment in May. The outlook is particularly bright for the banking sector, as well as for export-oriented industries such as automotive, chemicals, metals, machinery, and steel. The recent interest rate cut by the European Central Bank—and expectations of further easing—are seen as especially supportive for a recovery in the construction sector. Respondents also anticipate a rebound in domestic demand, which has been sluggish in recent months.
- 50. Wind turbine manufacturers installed a record 127 GW of new wind power capacity in 2024.** A total of 29 different wind turbine suppliers mechanically installing 23 098 units, despite challenging macroeconomic pressures, rising commodity and capital costs

WEEKLY ECONOMIC BRIEFING

and prolonged supply chain disruptions. This is according to wind energy sector association the Global Wind Energy Council (GWEC) 'Supply Side Data' report. The 29 wind turbine manufacturers consist of 18 companies from the Asia Pacific region, 8 from Europe, 2 from the US and 1 from the Middle East.

- 51. Taiwan shut down its last nuclear power reactor on 17 May.** The output of the 938 MW pressurised water reactor (PWR) was gradually reduced from 13h00 (local time) on Saturday 17 May and was disconnected from the grid at about 22h00. Construction of Maanshan 2 began in February 1979. The unit attained first criticality on 1 February 1985 and was connected to the grid later that month, entering commercial operation three months later.
- 52. The Brazilian Business Confidence Index rose to 48,9 in May from 48,0 in April and 49,2 in March.** It remained below the 50 threshold for the fifth month. Industrial companies were less pessimistic amid signs of economic recovery, a weaker US dollar, even as domestic interest rates remained high. Expectations for business performance over the next six months rose slightly to 51,3 from 50,7, while broader economic expectations rose to 42,5 from 41,1. Assessments of the current situation also improved: confidence in the current state of business rose to 47,3 from 46,6, and sentiment toward the Brazilian economy improved to 37,3 from 34,8.

