



Our Economy and The World

The Weekly Report

Issue: 269 Date: 10th April 2022

This week's issue of "Our Economy and the World" includes:

- **Key Global and Regional Developments over the Past Week**
 - Bloomberg: China Covid outbreak hits spending with more damage to come
 - Bloomberg: German factory orders fall as economy faces Ukraine war fallout
 - BBC: Russia says it won't cut off gas supplies yet in rouble payment row
 - Reuters: Consumer prices in Russia jump 10% in year-to-date
 - Reuters: Lebanon's central bank not bankrupt, governor says
- **Eye on Egypt**
 - Zawya: Egypt's Non-oil Economy Marks Sharpest Decline Recorded since 2020 - PMI
 - American University in Cairo - Alternative Policy Solutions: Much Ado About Participation: An Inclusive Climate Future for Egypt?
- **Special Analysis**
 - IMF: A Global Strategy to Manage the Long-Term Risks of COVID-19
 - Centre for Economic Policy Research: From low to high inflation: Implications for emerging market and developing economies
- **Developments in Financial and Commodity Markets in the past week**
 - CNBC: Stocks fall for a second day as rates jump, with the Fed set to tighten policy aggressively
 - Financial Times: Commodity prices soar to highest level since 2008 over Russia supply fears

Disclaimer

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report. Any errors that may have occurred are accidental and unintentional.



Our Economy and The World

The Weekly Report

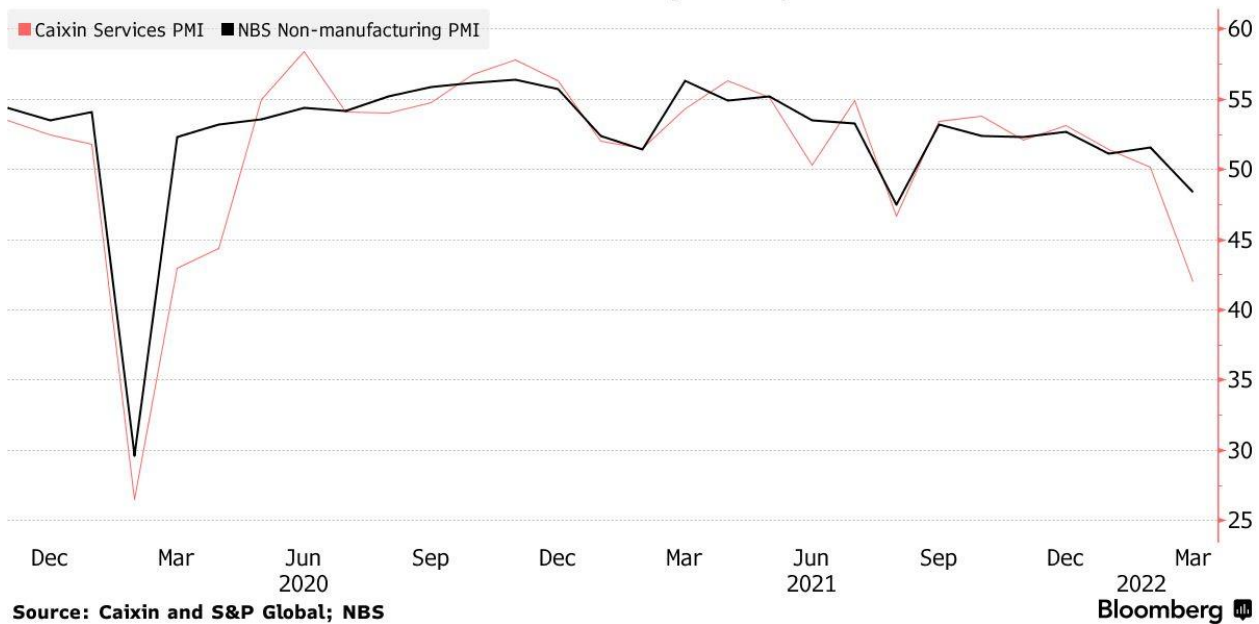
Key Global and Regional Developments over the Past Week

Bloomberg: China Covid outbreak hits spending with more damage to come

China's services sector took a massive knock in March from the nation's worst Covid outbreak since the start of the pandemic, with latest holiday spending figures showing there's more damage to come this month. The Caixin China Services Purchasing Managers Index fell to 42 in March from 50.2 in February, the lowest level since the depths of the 2020 lockdown after the initial outbreak in Wuhan. The reading was below the 50-mark that separates expansion from contraction and well below the 49.7 median estimate in a survey of economists.

Sharp Drop

China's services sector at its worst since early 2020, Caixin PMI shows



[\(Read Full Article\)](#)

Bloomberg: German factory orders fall as economy faces Ukraine war fallout

German factory orders fell for the first time in four months in the runup to Russia's invasion of Ukraine, underscoring concerns over slower growth in Europe's largest economy. Demand declined 2.2% in February from the previous month, driven by a slump in foreign orders. That's worse than all but one prediction in a Bloomberg survey of economist, which saw a median estimate of a 0.3% drop.

Disclaimer

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report. Any errors that may have occurred are accidental and unintentional.

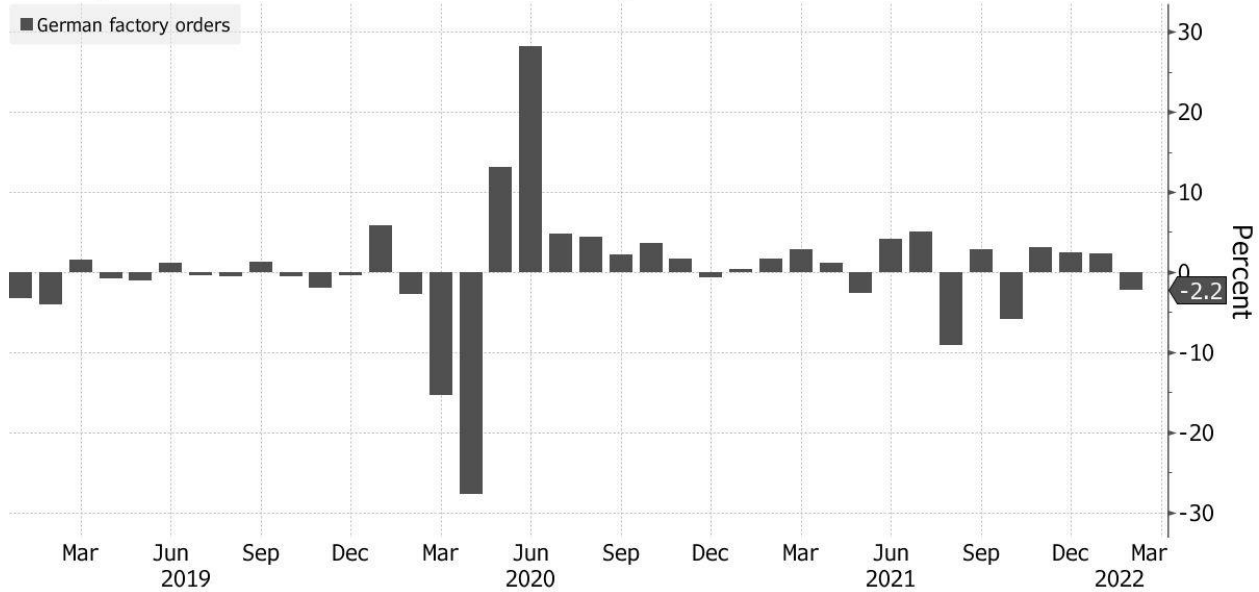


Our Economy and The World

The Weekly Report

Worse Than Expected

Factory orders decreased 2.2% in February



Source: Economy Ministry

Bloomberg

[\(Read Full Report\)](#)

[BBC: Russia says it won't cut off gas supplies yet in rouble payment row](#)

Russia has said it will not cut off gas exports to Europe yet in a standoff over its demand to be paid in roubles. Russian president Vladimir Putin signed a decree on Thursday stating buyers must pay in roubles through Russian bank accounts from Friday. The Kremlin said this would not affect shipments which were already paid for, with payments for deliveries after 1 April due in mid-April at the earliest.

[\(Read Full Report\)](#)

[Reuters: Consumer prices in Russia jump 10% in year-to-date](#)

Weekly inflation in Russia slowed to 0.99% in the week to April 1 from 1.16% a week earlier, taking the year-to-date increase in consumer prices to 9.99%, data from statistics service Rosstat showed on Wednesday. In the same three-month period a year ago, consumer prices rose 2.72%.

[\(Read Full Report\)](#)

Disclaimer

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report. Any errors that may have occurred are accidental and unintentional.



المركز المصري للدراسات الاقتصادية
The Egyptian Center for Economic Studies



Our Economy and The World

The Weekly Report

[Reuters: Lebanon's central bank not bankrupt, governor says](#)

Lebanon Central Bank Governor Riad Salameh on Monday denied that the institution he has led for 30 years was bankrupt and said it was still going about its legally-mandated role despite losses in the financial sector. The comments in a statement by the governor were an apparent response to the deputy prime minister, who said on Sunday that both the state and the central bank were bankrupt.

[\(Read Full Report\)](#)

Disclaimer

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report. Any errors that may have occurred are accidental and unintentional.



Our Economy and The World

The Weekly Report

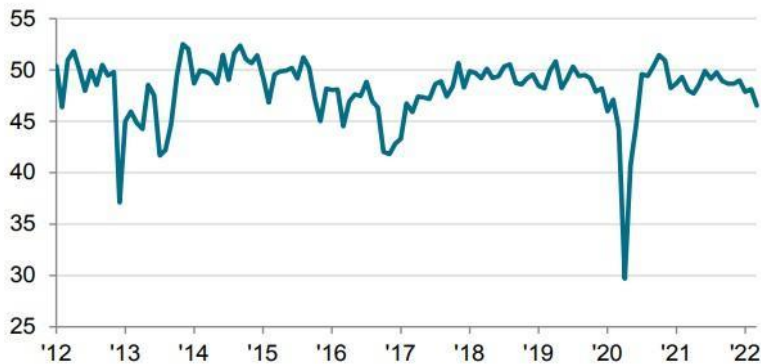
Eye on Egypt

Zawya: Egypt's non-oil economy marks sharpest decline recorded since 2020 - PMI

Business conditions in Egypt's non-oil private sector economy suffered a strong setback in March, as increasing inflationary pressures on energy, food and raw materials amidst the Russia-Ukraine war led to sharp decreases in output and new orders, a new business survey revealed. Firms ended up slowing down purchases of inputs at the fastest pace in two years, while job numbers fell for the fifth month running, the survey noted.

S&P Global Egypt PMI

sa, >50 = improvement since previous month



Source: S&P Global.

Data were collected 11-23 March 2022.

[\(Read Full Report\)](#)

American University in Cairo - Alternative Policy Solutions: Much Ado About Participation: An Inclusive Climate Future for Egypt?

Egypt is preparing to host the annual meeting of the United Nations Framework Convention on Climate Change (UNFCCC) in November. As national attention turns to Egypt's diplomatic efforts to coordinate key multilateral environmental negotiations, a high-level "national dialogue" has been promised ahead of the UNFCCC's 27th Conference of Parties (COP27). The country's highest political leadership has pledged a commitment to an inclusive and participatory agenda, with a declared intention that multi-stakeholder deliberation is needed to unify around a shared vision for raising domestic climate ambition and prioritising adaptation efforts.

Disclaimer

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report. Any errors that may have occurred are accidental and unintentional.



Our Economy and The World

The Weekly Report



[\(Read Full Report\)](#)

Disclaimer

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report. Any errors that may have occurred are accidental and unintentional.



Our Economy and The World

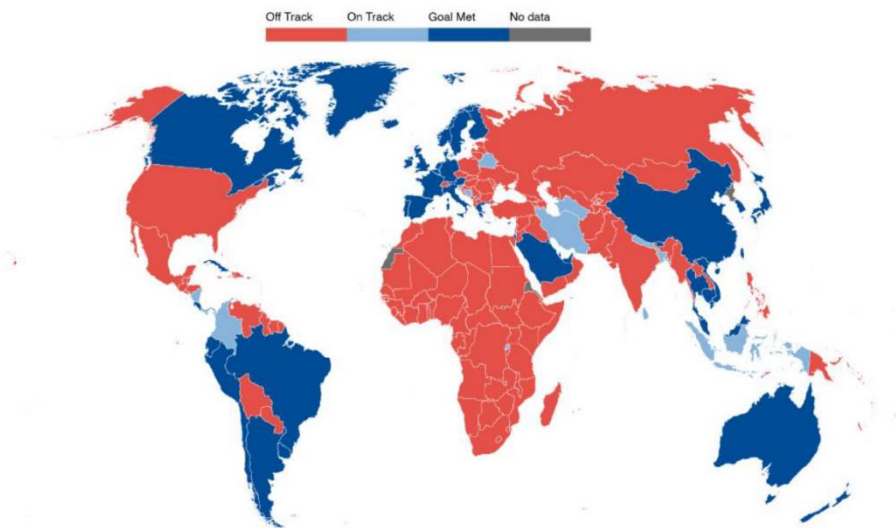
The Weekly Report

Special Analysis

IMF: A Global Strategy to Manage the Long-Term Risks of COVID-19

The pandemic is not over, and the health and economic losses continue to grow. It is now evident that COVID-19 will be with us for the long term, and there are very different scenarios for how it could evolve, from a mild endemic scenario to a dangerous variant scenario. This realization calls for a new strategy that manages both the uncertainty and the long-term risks of COVID-19. There are four key policy implications of such a strategy. First, we need to achieve equitable access beyond vaccines to encompass a comprehensive toolkit. Second, we must monitor the evolving virus and dynamically upgrade the toolkit. Third, we must transition from the acute response to a sustainable strategy toward COVID-19, balanced and integrated with other health and social priorities. Fourth, we need a unified risk-mitigation approach to future infectious disease threats beyond COVID-19. Infectious diseases with pandemic potential are a threat to global economic and health security. The international community should recognize that its pandemic financing addresses a systemic risk to the global economy, not just the development need of a particular country. Accordingly, it should allocate additional funding to fight pandemics and strengthen health systems both domestically and overseas. This will require about \$15 billion in grants this year and \$10 billion annually after that.

Figure 2: More Than 100 Countries Not on Track to Meet the Mid-2022 Vaccination Target of 70 Percent



Source: IMF-WHO Vaccine Tracker based on COVID-19 Vaccine Delivery Partnership Information Hub, WHO, updated March 30, 2022

[\(Read Full Report\)](#)

Disclaimer

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report. Any errors that may have occurred are accidental and unintentional.



Our Economy and The World

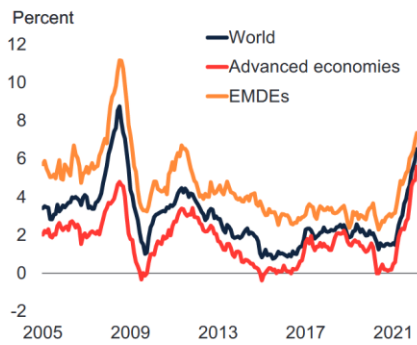
The Weekly Report

Centre for Economic Policy Research: From low to high inflation - Implications for emerging market and developing economies

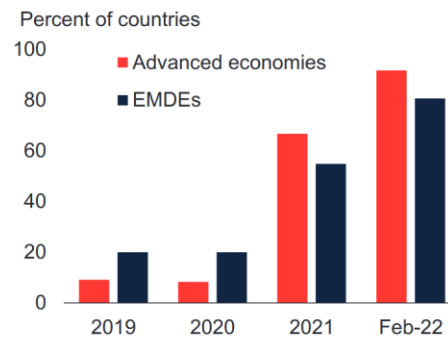
Global inflation has risen over the past year from less than 2% to over 6%, the highest level since 2008. Rising inflationary pressures and a surge in commodity prices as a result of the war in Ukraine will likely raise inflation further in 2022. This persistence of above-target inflation creates a historic monetary policy challenge, especially for emerging market and developing economies (EMDEs), whose high debt and weak fiscal positions make them vulnerable to tightening financial conditions.

Figure 1 Inflation and monetary policy

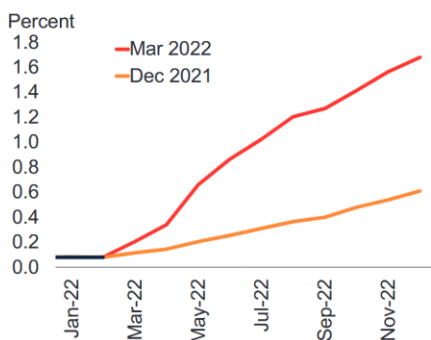
A. Monthly CPI inflation



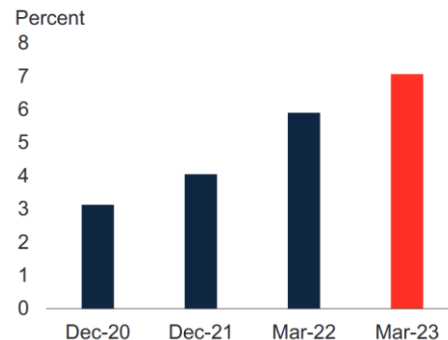
B. Countries with inflation above target



C. US interest rate expectations



D. Expectations for EMDE interest rates



Sources: Consensus Economics; Haver Analytics; World Bank.

[\(Read Full Report\)](#)

Disclaimer

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report. Any errors that may have occurred are accidental and unintentional.



Our Economy and The World

The Weekly Report

Developments in Financial and Commodity Markets in the Past Week

[CNBC: Stocks fall for a second day as rates jump, with the Fed set to tighten policy aggressively](#)

Stocks dipped for a second day on Wednesday and rates soared to new heights as investors bet the Federal Reserve is about to aggressively tighten policy to fight inflation, and in turn slow the economy. The Dow Jones Industrial Average traded 290 points lower, or 0.8%. The S&P 500 slid 1.3%, and the Nasdaq Composite pulled back by 2.5% after shedding about 2.3% on Tuesday.

[\(Read Full Article\)](#)

[Financial Times: Commodity prices soar to highest level since 2008 over Russia supply fears](#)

Global commodity prices are on track for the biggest weekly rally in more than 50 years and Europe's natural gas prices have hit a new record, as the war in Ukraine triggers "exceptional moves" in raw materials from oil to wheat. The S&P GSCI index, a broad barometer for the price of global raw materials, has jumped 16 percent this week, leaving it on track for the sharpest rise on records dating back to 1970, according to Refinitiv data. It is now at its highest level since 2008. US oil prices also hit the highest level since 2008 on Thursday. Wheat futures in Chicago shot above \$12 a bushel. Other commodities including aluminium and coal have also soared this week, in a move that will have profound effects on global businesses and consumers.

US crude oil prices hit highest level since 2008

West Texas Intermediate (\$/barrel)



[\(Read Full Article\)](#)

Disclaimer

The content of this report is directly obtained from the sources indicated without an addition from the Egyptian Center for Economic Studies (ECES). ECES is not responsible for any legal or investment consequences as a result of using the information contained in this report. Any errors that may have occurred are accidental and unintentional.