



المركز المصري للدراسات الاقتصادية  
The Egyptian Center for Economic Studies



# Our Economy and The World

The Weekly Report

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

- **Key Global and Regional Developments over the Past Week**
  - Bloomberg: ECB's Kazaks Sets High Bar for Omicron-Driven Extra Stimulus
  - Bloomberg: U.S. Congress Takes Aim at Container Carriers to Ease Crisis
  - Reuters: Record Exports Sharply Narrow U.S. Trade Deficit
  - Bloomberg: China's Factory Inflation Seen Easing From Peak in November
- **Special Analysis:**
  - World Bank: The State of the Global Education Crisis: A Path to Recovery
- **Developments in Financial and Commodity Markets over the Past Week**
  - Financial Times: UK pound sinks to 2021 low on concerns over new Covid measures
  - CNBC: Stock futures are flat after major averages post third straight day of gains

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# Our Economy and The World

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### Key Global and Regional Developments over the Past Week

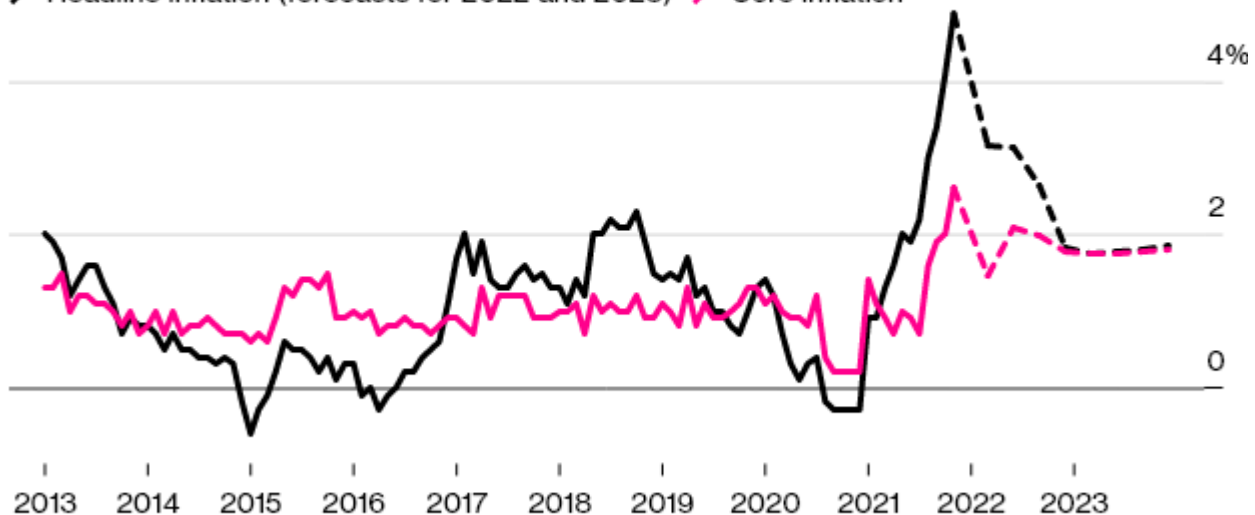
#### Bloomberg: ECB's Kazaks Sets High Bar for Omicron-Driven Extra Stimulus

The omicron variant of Covid-19 must inflict significant damage on the euro-area economy for European Central Bank Governing Council member Martins Kazaks to back additional stimulus. It's too early to tell how the new strain will affect the continent's recovery, according to Kazaks, who heads Latvia's central bank. As things stand, the ECB's 1.85 trillion-euro (\$2.1 trillion) emergency bond-buying program -- known as PEPP -- should end as scheduled in March, he said.

#### Euro-Area Price Watch

The current inflation surge is projected to moderate

／ Headline inflation (forecasts for 2022 and 2023)    ／ Core inflation



Source: Eurostat, Organization for Economic Cooperation and Development

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#### Bloomberg: U.S. Congress Takes Aim at Container Carriers to Ease Crisis

Container shipping companies enjoying the best of times for profitability and the worst of times for global supply-chain reliability are ending the year hoping Washington doesn't make the problems even tougher to resolve. The House plans this week to vote on a bill (H.R. 4996) to

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address container disruptions and to beef up the Federal Maritime Commission’s enforcement, Bloomberg Government’s Lillianna Byington reports.

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### [Reuters: Record exports sharply narrow U.S. trade deficit](#)

The U.S. trade deficit narrowed sharply in October as exports soared to a record high, potentially setting up trade to contribute to economic growth this quarter for the first time in more than a year. The report from the Commerce Department on Tuesday, which also showed imports rising to an all-time high, added to a tightening labor market, strong consumer spending as well as services and manufacturing activity that have suggested an acceleration in growth was underway as the year winds down.

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### [Bloomberg: China’s Factory Inflation Seen Easing From Peak in November](#)

China’s factory inflation may have peaked and started slowing in November, providing some relief for companies and making room for the central bank to do more to support the economy. The producer price index is forecast to have climbed 12.1% in November from a year earlier, slower than the 26-year high of 13.5% in October, according to the median estimate in a survey of economists. Despite the retreat, the projected increase would still be the second fastest in 26 years.



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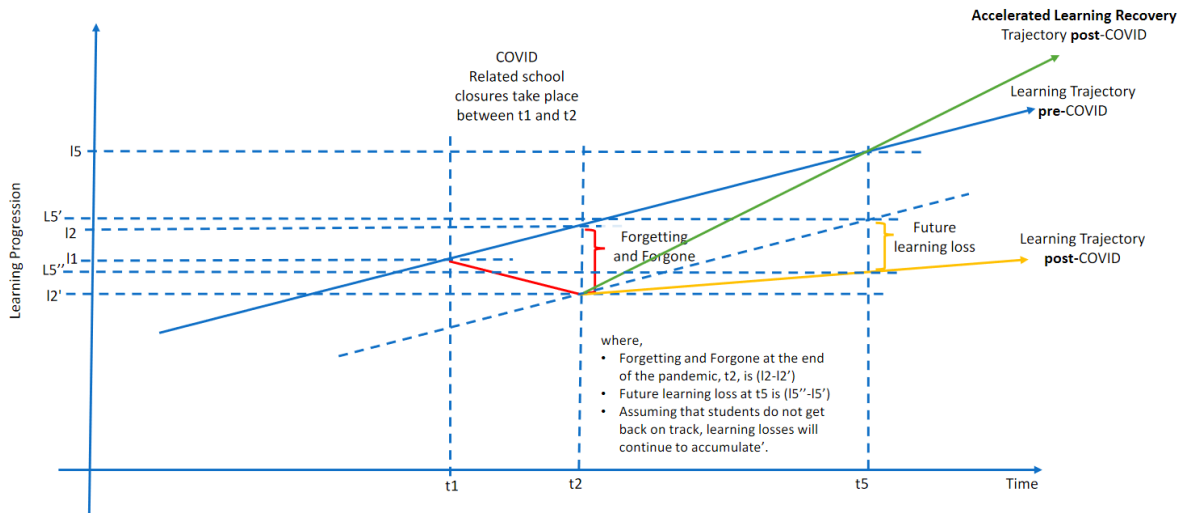
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### Special Analysis

#### World Bank: The State of the Global Education Crisis: A Path to Recovery

The global disruption to education caused by the COVID-19 pandemic is without parallel and the effects on learning are severe. The crisis brought education systems across the world to a halt, with school closures affecting more than 1.6 billion learners. While nearly every country in the world offered remote learning opportunities for students, the quality and reach of such initiatives varied greatly and were at best partial substitutes for in-person learning. Now, 21 months later, schools remain closed for millions of children and youth, and millions more are at risk of never returning to education. Evidence of the detrimental impacts of school closures on children’s learning offer a harrowing reality: learning losses are substantial, with the most marginalized children and youth often disproportionately affected.



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## Developments in Financial and Commodity Markets over the Past Week

### Financial Times: UK pound sinks to 2021 low on concerns over new Covid measures

The pound dropped to its lowest level in more than a year against the dollar on Wednesday as the prospect of fresh coronavirus restrictions clouded the outlook for the UK economy. Sterling traded 0.5 percent lower to \$1.317 after the Financial Times reported that Boris Johnson is set to implement the “Plan B” of further restrictions, including requiring vaccine passports for large venues and an order to work from home in a bid to curb the spread of the Omicron variant. The UK currency also declined against the euro, hitting £0.856.



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### CNBC: Stock futures are flat after major averages post third straight day of gains

U.S. stock index futures were little changed during overnight trading on Wednesday, after the major averages posted a third straight day of gains as traders bet that the omicron variant’s economic impacts won’t be as severe as initially thought. Futures contracts tied to the Dow Jones Industrial Average slid 7 points. S&P 500 futures were down 0.03%, while Nasdaq 100 futures slid 0.08%.

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