



المركز المصري للدراسات الاقتصادية
The Egyptian Center for Economic Studies



Our Economy and The World

The Weekly Report

Issue: 73 Date: 08 October 2017

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

- Key Global and Regional Developments over the Past Week
- Special Analysis: World Development Report 2018, Learning to Realize Education's Promise
- Recent Developments in Financial and Commodity Markets

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The Weekly Report

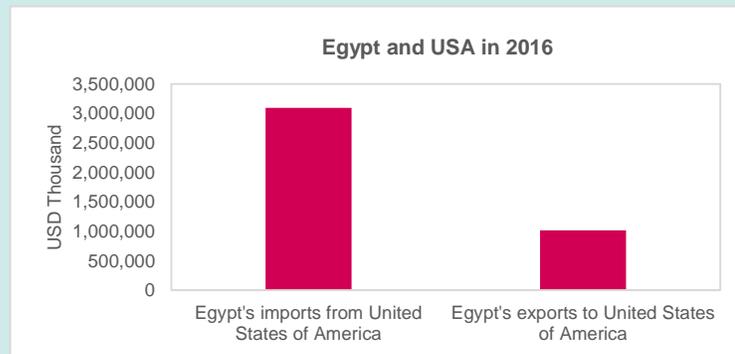
Key Global and Regional Developments over the Past Week

[Bloomberg: Trump pitches tax plan as historic cut to boost U.S. hiring](#)

President Donald Trump kicked off his campaign to cut tax rates for corporations and individuals, casting the proposal as an economic jolt that would boost hiring across the country. “This is a revolutionary change, and the biggest winners will be the everyday American workers as jobs start pouring into our country,” Trump said Wednesday at a speech at the Indiana State Fairgrounds in Indianapolis. He said his plan would deliver “the largest tax cut in our country’s history.”

[Read the full article](#)

If this prediction is correct and leads to a boom this will be of Egypt’s benefit



Source: Trademap, ITC

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Our Economy and The World

The Weekly Report

Reuters: Fed's rate hikes causing low inflation, Kashkari says

The Federal Reserve's own actions, not transitory factors, are responsible for weak inflation, a Fed policymaker argued on Monday, and the U.S. central bank should wait to raise rates again until inflation hits its 2-percent goal. "The FOMC's policy to remove monetary accommodation over the past few years is likely an important factor driving inflation expectations lower," Minneapolis Fed President Neel Kashkari wrote in an essay on the bank's website, referring to the central bank's Federal Open Market Committee, which sets U.S. interest rates. "My preference would be not to raise rates again until we actually hit 2 percent core PCE inflation on a 12-month basis, unless we have seen a large drop in the headline unemployment rate signaling that we have used up remaining labor market slack, or a surprise increase in inflation expectations."

[Read the full article](#)

Reuters: Japan's business mood hits decade-high, labor shortage bites: BOJ tankan

Big manufacturers have more confidence in Japan's business conditions than they have had for a decade as a weak yen and robust global demand add momentum to the economic recovery, a closely watched central bank survey showed on Monday. In a sign the recovery was broadening, small manufacturers' business confidence also hit a decade-high and the ratio of companies complaining of labor shortages was at a 25-year high, according to the Bank of Japan's "tankan" quarterly survey.

[Read the full article](#)

Reuters: China's factories grow at fastest pace in over five years as prices surge

China's manufacturing activity grew at the fastest pace since 2012 in September as factories cranked up output to take advantage of strong demand and high prices, easing worries of a slowdown before a key political meeting next month. Production, total new orders and output prices all improved to the highest level in at least a year, while a pick-up in a reading for the construction sector indicated a building boom is undiminished.

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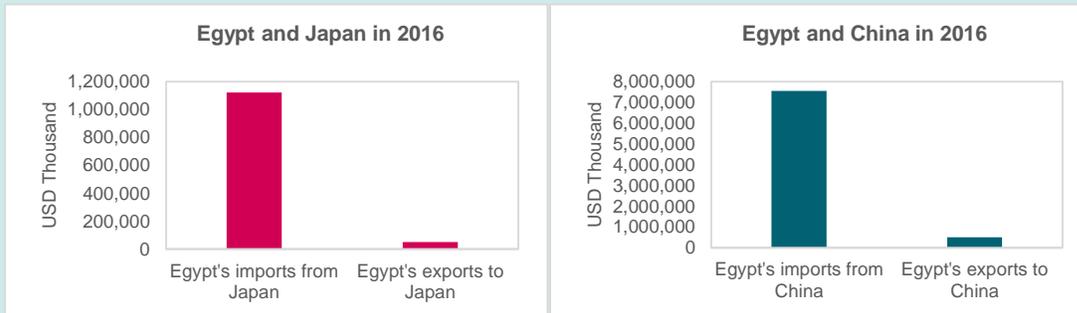
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Our Economy and The World

The Weekly Report

A boom in Japan and China shall trigger imports from Egypt



[Reuters: Trying to reset the agenda, UK's May sets out to tackle social injustice](#)

British Prime Minister Theresa May will on Tuesday describe the scale of social and racial injustice she plans to tackle, hoping to shift the focus of her ruling party's annual conference away from rifts over Brexit and her leadership. After a bruising start to the Conservative Party's annual meeting in the northern city of Manchester, May will try to reset the agenda after remarks on Brexit policy by foreign minister Boris Johnson deepened rifts in her top team of advisers.

[Read the full article](#)

Social Justice is in top agenda of all countries in the world. It is receiving attention in Egypt and should receive more. *Takaful* and *Karama* program needs to be expanded

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The Weekly Report

Special Analysis: World Development Report 2018 Learning to Realize Education's Promise

The three dimensions of the learning crisis

Education should equip students with the skills they need to lead healthy, productive, meaningful lives. Different countries define skills differently, but all share some core aspirations, embodied in their curriculums. Students everywhere must learn how to interpret many types of written passages—from medication labels to job offers, from bank statements to great literature. They have to understand how numbers work so that they can buy and sell in markets, set family budgets, interpret loan agreements, or write engineering software. They require the higher-order reasoning and creativity that builds on these foundational skills. And they need the socio-emotional skills—such as perseverance and the ability to work on teams—that help them acquire and apply the foundational and other skills.

Many countries are not yet achieving these goals. First, the learning that one would expect to happen in schools—whether expectations are based on formal curriculums, the needs of employers, or just common sense—is often not occurring. Of even greater concern, many countries are failing to provide learning for all. Individuals already disadvantaged in society—whether because of poverty, location, ethnicity, gender, or disability—learn the least. Thus education systems can widen social gaps instead of narrowing them. What drives the learning shortfalls is becoming clearer thanks to new analyses spotlighting both the immediate cause—poor service delivery that amplifies the effects of poverty—and the deeper system-level problems, both technical and political, that allow poor-quality schooling to persist.

Learning outcomes are poor: Low levels, high inequality, slow progress

The recent expansion in education is impressive by historical standards. In many developing countries over the last few decades, net enrollment in education has greatly outpaced the historic performance of today's industrial countries. For example, it took the United States 40 years—from 1870 to 1910—to increase girls' enrollments from 57 percent to 88 percent. By contrast, Morocco achieved a similar increase in just 11 years. The number of years of schooling completed by the average adult in the developing world more than tripled from 1950 to 2010, from 2.0 to 7.2 years. By 2010 the average worker in Bangladesh had completed more years of schooling than the typical worker in France in 1975. This progress means that most enrollment gaps in basic education are closing between high- and low-income countries. By 2008 the average low-income country was enrolling students in primary school at nearly the same rate as the average high-income country.

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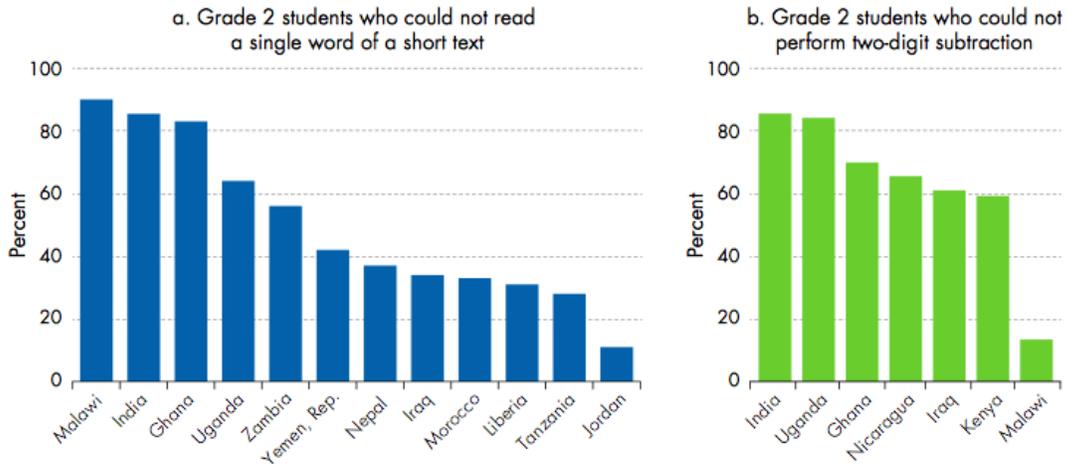


Our Economy and The World

The Weekly Report

Figure O.1 Shortfalls in learning start early

Percentage of grade 2 students who could not perform simple reading or math tasks, selected countries



Sources: WDR 2018 team, using reading and mathematics data for Kenya and Uganda from Uwezo, Annual Assessment Reports, 2015 (<http://www.uwezo.net/>); reading and mathematics data for rural India from ASER Centre (2017); reading data for all other countries from U.S. Agency for International Development (USAID), Early Grade Reading Barometer, 2017, accessed May 30, 2017 (<http://www.earlygradereadingbarometer.org/>); and mathematics data for all other countries from USAID/RTI Early Grade Mathematics Assessment intervention reports, 2012-15 (<https://shared.rti.org/sub-topic/early-grade-math-assessment-egma>). Data at http://bit.do/WDR2018-Fig_O-1.

Note: These data typically pertain to selected regions in the countries and are not necessarily nationally representative. Data for India pertain to rural areas.

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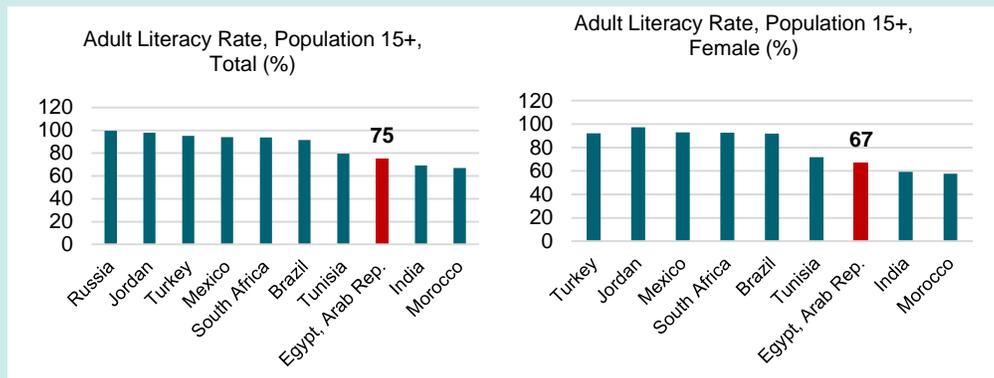
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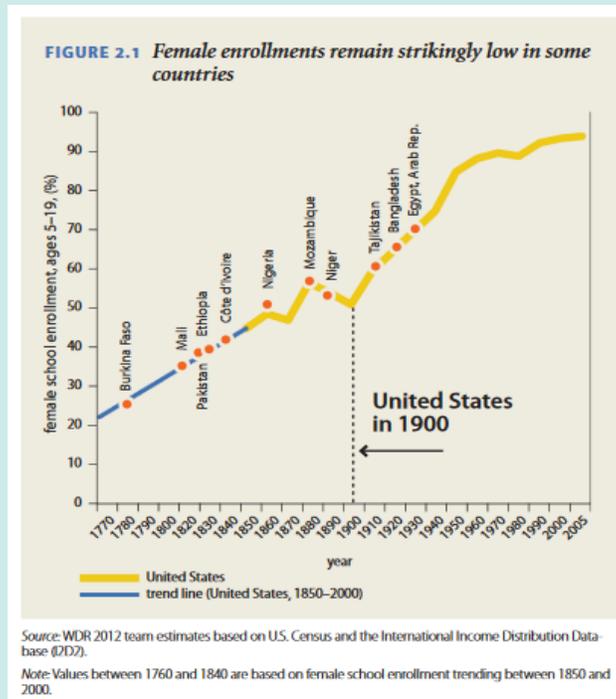
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The Weekly Report

Egypt is getting on track as far as to revert low levels, high inequality and low progress in education “learning crisis.” However, existing strategies need more funds.



Source: WDI, recent available data, 2011 data in Jordan, Tunisia, South Africa, India, and Morocco; 2013 data for the rest.



Source: World Development Report 2012, Gender Equality and Development

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Recent Developments in Financial and Commodity Markets

[Reuters: Wall street starts quarter higher: data signals strength](#)

U.S. stocks started the fourth quarter on a strong note on Monday, with all three major indexes hitting record high closes as data pointed to underlying strength in the economy. A measure of U.S. manufacturing activity surged to a near 13-1/2-year high in September. Disruptions to the supply chains caused by Hurricanes Harvey and Irma resulted in factories taking longer to deliver goods and boosted raw material prices.

[Read the full article](#)

[Reuters: Oil falls more than two percent on signs of higher output](#)

Oil fell more than \$1 a barrel on Monday as a rise in U.S. drilling and higher OPEC output put the brakes on a rally that helped prices notch their biggest third-quarter gain in 13 years. Iraq announced its exports rose slightly in September while a Reuters survey showed OPEC overall boosted output. [OPEC/M] U.S. drillers added six oil rigs in the week to Sept. 29, bringing the total count to 750, data from General Electric Co's Baker Hughes energy services firm showed on Friday.

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