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: Lira Rebounds as Turkey Central Bank Moves to Allay Market Fears

The Turkish lira rebounded, recouping losses after its worst day since a crash last year, as the central bank raised rates borrowing costs and signaled it was taking steps to bolster its foreign currency reserves.

(Read full Article)

BBC: Trade war - US-China to resume face-to-face talks next week

US officials plan to travel to China next week to resume face-to-face talks aimed at ending a trade war between them, the White house has confirmed. And Chinese officials will travel to the US for further talks in Washington in early April. The US and China have imposed tariffs on billions of dollars' worth of one another's goods over the past year.

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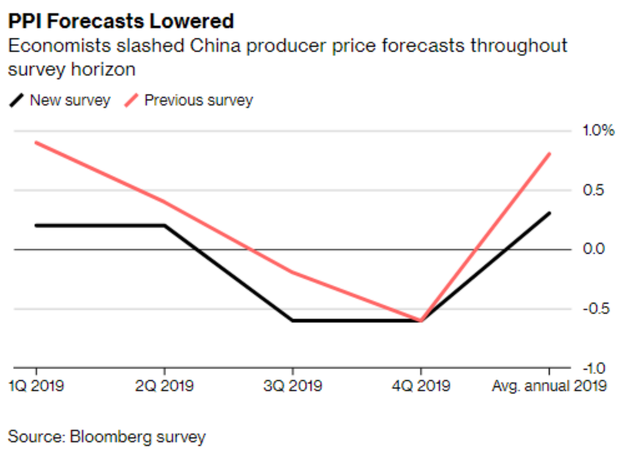

BBC: Brexit: Europe's no-deal preparation 'falls short'

Business lobby groups have written to the European Commission, warning that its own no-deal Brexit plans "fall short of what is needed to limit major disruptions", Newsnight has learned. The letter is from Business Europe - an umbrella body for lobby groups across the EU, including Britain's CBI. It warns of possible disruption to flights, drug supply shortages and data-sharing interruptions. The Commission said it was in frequent contact with stakeholders. But the document suggests European companies - not just UK firms - are extremely nervous about the economic repercussions of a no-deal Brexit on 29 March.

(Read full Article)

BBC: Italy takes a shine to China's New Silk Road

China's president lands in Rome on Thursday, where he is expected to sign a landmark infrastructure deal that has raised eyebrows and suspicions among Italy's Western allies. Xi Jinping's project is a New Silk Road which, just like the ancient trade route, aims to link China to Europe.

(Read full Article)

Special Analysis: UNCTAD - Making Digital Platforms Work for Development

Digital platforms create new opportunities for companies of all sizes to engage in trade. They can lead to efficiency gains through lower transaction costs and reduced information asymmetries supported by rating systems.

Other benefits include lower consumer prices, increased market access, more competition, better use of underutilized resources and increased flexibility for the providers of services. However, gains are not automatic, and there are growing concerns over the rising market power of certain platforms and the related implications for competition, data protection and ownership, consumer protection and taxation and employment policies.

Economic policies and regulations will need to maximize the benefits while at the same time minimizing the costs of digital platforms.

For developing countries, digital platforms generate both opportunities, to engage in trade and to develop, as well as challenges.

In order to maximize development gains from digital platforms, policies and regulations need to address in a holistic manner diverse challenges, including those related to competition and consumer protection, data protection and privacy, taxation and employment and working conditions.

(Read full Report)

Recent Developments in Financial and Commodity Markets

Bloomberg: Uber to Seal $3.1 Billion Deal to Buy Careem This Week

Uber Technologies Inc. is set to announce a $3.1 billion cash-and-share deal to acquire its Dubai-based rival Careem Networks FZ as early as this week, according to people with knowledge of the matter. The U.S. ride-hailing giant will pay $1.4 billion in cash and $1.7 billion in convertible notes for Careem, the people said, asking not to identified because the talks are private. The notes will be convertible into Uber shares at a price equal to $55 per share, according to the term-sheet seen by Bloomberg.

(Read full Article)

Bloomberg: China's Economy Will Just About Escape Deflation in 2019, Survey Says

China's economy will flirt with deflation this year, with producer prices likely contracting in the second half, according to economists. Factory-gate prices will grow by just 0.3 percent in 2019, according to the median estimate of 15 economists in a Bloomberg survey. That's down from the forecast of 0.8 percent seen last month. Some said prices could begin contracting as soon as July, with negative price growth remaining until early 2020.

(Read full Article)

Reuters: Pound penned in below $1.32 by risk of snap election, no-deal Brexit

Sterling slipped on Tuesday after the British parliament's moved to wrest control of the Brexit process for a day, raising expectations that lawmakers can end an impasse on Britain's European Union exit, but also the chances of a snap election.

(Read full Article)