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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:

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Key Global and Regional Developments over the Past Week

Bloomberg: EU-U.S. Trade Talks Face Delay, Risking Trump Backlash

European Union governments are struggling to reach consensus on a mandate to begin trade talks with the U.S., risking a delay that would further provoke Donald Trump's ire after the bloc's refusal to include agriculture in the negotiations. At a meeting of EU ambassadors in Brussels on Wednesday, France is expected to resist giving the European Commission the green light to start negotiations to eliminate industrial tariffs between the regions, according to two officials familiar with the matter, who asked not to be named because the talks are private. Failure to get France on board would mean the EU's executive arm won't be given a mandate to negotiate.

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

Bloomberg: Parliament Fails to Back Any Plan B Options: Brexit Update

The U.K. Parliament rejected all options in a set of votes on potential alternative blueprints for Brexit on Monday. The government says the legal default will be for the U.K. to leave the European Union in 11 days. Theresa May is still aiming to get her unpopular deal through Parliament and will call a Cabinet meeting on Tuesday to discuss the next steps.

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CNBC: US and China are reportedly drawing closer to a final trade agreement

American and Chinese officials negotiating a trade deal have resolved most of the outstanding issues but are still haggling over how to implement and enforce such an agreement, the Financial Times reported late Tuesday. Both countries have yet to agree on a number of important issues. Beijing wants Washington to remove existing U.S. tariffs on Chinese goods, while the United States wants China to agree to terms of an enforcement mechanism ensuring it abides by the deal, the FT said.

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CNBC: JP Morgan and Goldman Sachs are getting more bullish on India

India has the "best growth story" among global emerging markets, said J.P. Morgan's head of equity research for Asia excluding Japan, as he pointed to relatively stable oil prices and positive earnings projections for the country. That comes as Goldman Sachs also became more bullish on India, raising its rating on Indian stocks to "overweight" in a Monday report, an indication that it expects a stock or index to outperform its peers.

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Special Analysis: World Bank - Middle East and North Africa Economic Update, April 2019 : Reforms and External Imbalances - The Labor-Productivity Connection in the Middle East and North Africa

World Bank economists expect economic growth in the Middle East and North Africa (MENA) to continue at a modest pace of about 1.5 to 3.5 percent during 2019-2021, with some laggards and a few emerging growth stars. In late 2018, The World Bank called on the leaders of the Middle East and North Africa (MENA) to aim high. We called for a set of aspirational, but attainable, goals in the digital-economy space (Arezki and Belhaj 2018). If the economies of MENA achieve those goals, they will not only have leapfrogged many advanced economies in terms of coverage and quality of cellular and broadband services, they will register notable advancements in digital payments. This installment of the Middle East Economic Update series, published every six months by the MENA Office of the Chief Economist, makes a more subtle point about a slow moving emerging challenge for the region's economies: reducing macroeconomic vulnerabilities in some economies is inextricably linked to an all-out effort to create an advanced digital economy (the so-called Digital Moonshot) and other structural reforms. The link, surprisingly, is aggregate labor productivity.

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Recent Developments in Financial and Commodity Markets

Reuters: Venezuela oil exports stable in March despite sanctions, blackouts – data

Venezuela's state-run energy company, PDVSA, kept oil exports near 1 million barrels per day in March despite U.S. sanctions and ongoing power outages that crippled its main export terminal, according to PDVSA documents and Refinitiv Eikon data. The OPEC member stabilized exports in March after shipments fell about 40 percent in February from the month before, in the immediate aftermath of the United States announcing it would impose sanctions on oil sales to choke off main source of revenue for the government of socialist President Nicolas Maduro.

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

Reuters: Brent nears \$70 as oil prices rise for fourth day

Oil prices rose for a fourth day on Wednesday, pushing Brent towards \$70 a barrel as support from OPEC-led supply cuts and U.S. sanctions overshadowed a report showing an unexpected rise in U.S. inventories. U.S. West Texas Intermediate crude rose 26 cents, or 0.4 percent, to \$62.84 cents a barrel, earlier rising to \$62.90, the highest since Nov. 7.

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