



المركز المصري للدراسات الاقتصادية
The Egyptian Center for Economic Studies



Our Economy and The World

The Weekly Report

Issue: 151 Date: 28 July 2019

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

Key Global and Regional Developments over the Past Week

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- [Bloomberg: Emerging-Market Policymakers' Relief Hidden in Vegetables](#)
- [Reuters: Britain's new leader Johnson: 'We are going to get Brexit done'](#)
- [CNBC: Trade war to drag on as Trump says long way to go and China strikes hard-line tone](#)

Special Analysis: IMF - World Economic Outlook - Still Sluggish Global Growth

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- [Reuters: Oil flat, Brent around \\$63/bbl as demand concerns weigh](#)
- [Reuters: Wall Street approaches record high on earnings optimism](#)

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Key Global and Regional Developments over the Past Week

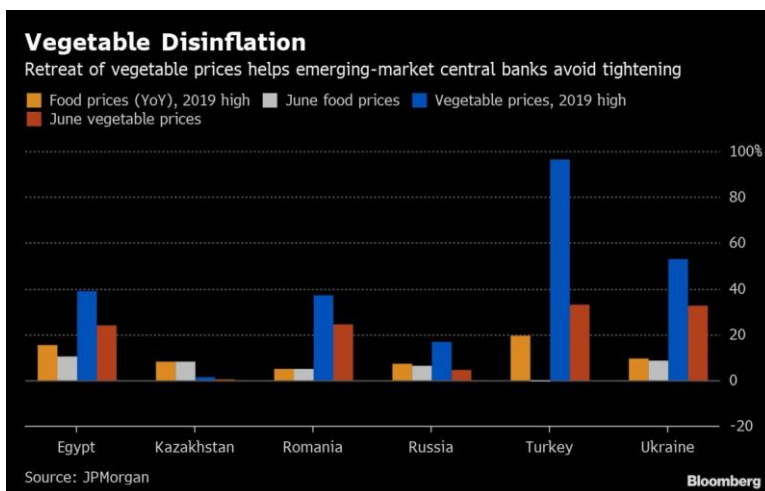
[BBC News: Global growth forecast cut by IMF amid trade tensions](#)

The International Monetary Fund (IMF) has cut its growth forecasts for the global economy for this year and next. It predicts growth of 3.2% in 2019, down from its April forecast of 3.3%. Growth next year is set to pick up to 3.5% next year, although that is below its earlier forecast of 3.6%. Growth "remains subdued", the IMF says, and there is an urgent need to reduce trade and technology tensions.

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[Bloomberg: Emerging-Market Policymakers' Relief Hidden in Vegetables](#)

Central bankers in emerging economies may find relief in vegetable shopping. Prices "appear" to be responding to the new harvest by easing significantly, and this will sooner or later drive down food prices, helping to tame inflation pressures, JPMorgan analysts said in a note.



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[Reuters: Britain's new leader Johnson: 'We are going to get Brexit done'](#)

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Boris Johnson, the Brexiteer who has promised to lead Britain out of the European Union with or without a deal by the end of October, will replace Theresa May as prime minister after winning the leadership of the Conservative Party on Tuesday.

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[CNBC: Trade war to drag on as Trump says long way to go and China strikes hard-line tone](#)

The U.S. and China have restarted their trade talks, but signs are showing a comprehensive deal could be a long way off, if it happens at all. President Donald Trump said Tuesday that there's still a long way to go to reach a deal with China, threatening to slap tariffs on another \$325 billion of Chinese goods. Meanwhile, China had suddenly added a new member to its negotiating team — the country's commerce minister, Zhong Shan, who was present at last month's G-20 summit and took part in a telephone conversation with U.S. representatives last week.

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Special Analysis: IMF – World Economic Outlook - Still Sluggish Global Growth

Global growth remains subdued. Since the April World Economic Outlook (WEO) report, the United States further increased tariffs on certain Chinese imports and China retaliated by raising tariffs on a subset of US imports. Additional escalation was averted following the June G20 summit. Global technology supply chains were threatened by the prospect of US sanctions, Brexit-related uncertainty continued, and rising geopolitical tensions roiled energy prices.

Against this backdrop, global growth is forecast at 3.2 percent in 2019, picking up to 3.5 percent in 2020 (0.1 percentage point lower than in the April WEO projections for both years). GDP releases so far this year, together with generally softening inflation, point to weaker-than-anticipated global activity. Investment and demand for consumer durables have been subdued across advanced and emerging market economies as firms and households continue to hold back on long-range spending. Accordingly, global trade, which is intensive in machinery and consumer durables, remains sluggish. The projected growth pickup in 2020 is precarious, presuming stabilization in currently stressed emerging market and developing economies and progress toward resolving trade policy differences.

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Recent Developments in Financial and Commodity Markets

[Reuters: Oil flat, Brent around \\$63/bbl as demand concerns weigh](#)

Oil prices were largely flat around \$63 a barrel on Tuesday as expectations of lower U.S. crude supplies were offset by weaker demand forecasts and the full restart of Libya's largest oil field. Brent crude LCOc1 rose 9 cents to \$63.35 a barrel by 12:28 p.m. CDT (1728 GMT). U.S. West Texas Intermediate crude CLc1 was up 21 cents at \$56.43.

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

[Reuters: Wall Street approaches record high on earnings optimism](#)

The S&P 500 and Nasdaq approached record highs on Tuesday, lifted by upbeat quarterly reports from Coca-Cola and United Technologies, while a debt ceiling and budget deal between President Donald Trump and Congress also buoyed sentiment.

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