



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**
 - BBC: No-deal Brexit would push UK debt to 50-year high, says think tank
 - Bloomberg: German Factories Feed Unexpected Rise in Industrial Output
 - Bloomberg: U.S. Small-Business Optimism Drops to Near Lowest of Trump Era
 - Reuters: EU finance commissioner pledges to regulate digital currencies
 - CNBC: Trump administration reportedly considering limits on pension investments in Chinese stocks
 - The U.S.-China Relationship Is Worsening Rapidly Before Talks
- **Special Analysis: International Monetary Fund - IMF Releases the 2019 Financial Access Survey Results**
- **Recent Developments in Financial and Commodity Markets**
 - Reuters: Oil climbs on Iraq and Ecuador unrest, regional tensions
 - Reuters: European stocks tumble further as Brexit, trade worries deepen

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Key Global and Regional Developments over the Past Week

[BBC: No-deal Brexit would push UK debt to 50-year high, says think tank](#)

Even a "relatively benign" no-deal Brexit would push UK debt to its highest since the 1960s, the Institute for Fiscal Studies (IFS) has said. The think tank said borrowing was likely to rise to £100bn and total debt would soar to 90% of national income. "The government is now adrift without any effective fiscal anchor," said IFS director Paul Johnson. The Treasury said any decisions would be made "with a view to the long-term sustainability of the public finances".

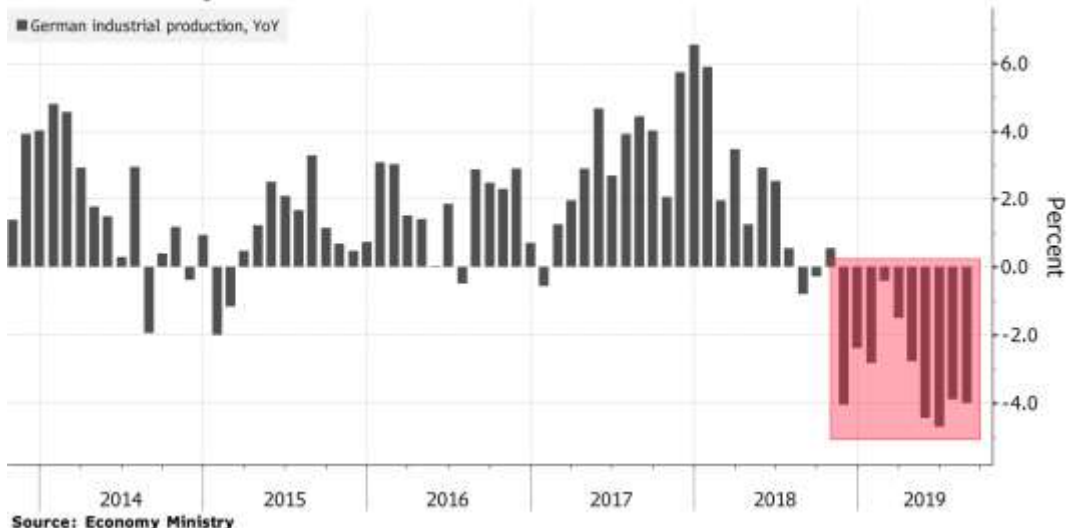
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[Bloomberg: German Factories Feed Unexpected Rise in Industrial Output](#)

A jump in manufacturing fueled a surprise improvement in German industrial production following two months of decline. While good news, the development will do little to alleviate concerns about intensifying trade tensions and waning business confidence. Output rose 0.3% from July, despite a big drop in energy, compared with economist estimates for no change. Investment and basic goods production helped, while motor vehicle manufacturing also grew. But the outlook remains uncertain, with production down 4% on the year and shrinking factory orders signaling that no real turning point is in sight.

Industry Slump

German economy is on brink of recession



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Bloomberg: U.S. Small-Business Optimism Drops to Near Lowest of Trump Era

U.S. small-business sentiment fell to near the lowest level of Donald Trump's presidency, as tariffs and economic uncertainty increasingly weigh on the outlook for owners across the country. The National Federation of Independent Business's optimism index declined 1.3 points to 101.8 in September, the third drop in four months, according to data released Tuesday. While the gauge remains elevated by historical standards, it's the lowest since March and close to January's 101.2, which was the weakest since Trump's term began in early 2017.

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Reuters: EU finance commissioner pledges to regulate digital currencies

The European Union's finance commissioner pledged on Tuesday, if he is reappointed, to propose new rules to regulate virtual currencies such as Libra, the currency Facebook (FB.O) plans to launch. Valdis Dombrovskis has resisted regulating digital currencies and making systemic changes to tackle money-laundering in the five years he has served so far.

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CNBC: Trump administration reportedly considering limits on pension investments in Chinese stocks

The White House is reportedly discussing blocking government pension funds from investing in China, Bloomberg News reported on Tuesday. This comes after the White House denied reports it is considering ways to limit U.S. investments in China. White House adviser Peter Navarro told CNBC the reports were "fake news;" however, people familiar with the matter told Bloomberg News that Trump officials met last week about the deliberations.

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CNBC: The U.S.-China Relationship Is Worsening Rapidly Before Talks

The White House is reportedly discussing blocking government pension funds from investing in China, Bloomberg News reported on Tuesday. This comes after the White House denied reports it is considering ways to limit U.S. investments in China. White House adviser Peter Navarro told CNBC the reports were "fake news;" however, people familiar with the matter told Bloomberg News that Trump officials met last week about the deliberations.

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Special Analysis: International Monetary Fund - IMF Releases the 2019 Financial Access Survey Results

On September 30, 2019, the International Monetary Fund (IMF) released the results of the tenth annual Financial Access Survey (FAS).[1] The FAS is a unique supply-side dataset that enables policymakers to measure and monitor financial inclusion and benchmark progress against peers. The dataset covers 189 jurisdictions with more than 150 indicators on financial access and use with historical data from 2004.

2019 marks the tenth anniversary of the Financial Access Survey

The FAS was launched in 2009 and has evolved over time to adapt to the changing landscape of financial services, including the rise of fintech and growing demand for more granular data. Key enhancements include introducing country-level data on mobile money in 2014, adopting gender statistics in the FAS questionnaire in 2018, and expanding FAS's coverage of innovations in traditional banking services, including branchless banking and debit and credit cards in circulation.

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Recent Developments in Financial and Commodity Markets

Reuters: Oil climbs on Iraq and Ecuador unrest, regional tensions

Oil prices increased on Tuesday as unrest in Iraq and Ecuador raised supply concerns, but worries about U.S.-China trade negotiations capped the market's gains after U.S. President Donald Trump said a quick deal was unlikely. Brent crude LCOc1 rose 43 cents, or 0.7%, to \$58.78 a barrel by 0903 GMT. U.S. West Texas Intermediate crude CLc1 was at \$53.12, up 37 cents, or 0.7%.

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Reuters: European stocks tumble further as Brexit, trade worries deepen

European stocks tumbled further on Tuesday afternoon as worries about fresh uncertainty over Britain's exit from the European Union and trade talks between China and the United States later this week deepened. The pan European STOXX 600 was down 1% at 1112 GMT, extending earlier losses.

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