

# اقتصادنا والعالم

## Our Economy and the World

Issue: 319

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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: Xi Summit to Deepen Central Asian Ties in Split-Screen With G-7
- Bloomberg: Italy to Discuss Leaving China's Investment Pact With G-7 Allies
- Bloomberg: China's Home-Price Growth Slows as Housing Rebound Fizzles
- BBC: US Inflation Below 5% for First Time in Two Years
- Reuters: Erdogan says Black Sea grain deal extended for two months

- **Special Analysis**

- World Bank: Africa's Pulse - Leveraging Resource Wealth During the Low Carbon Transition

- **Developments in Financial and Commodity Markets in the Past Week**

- Reuters: Asian FX Stumbles on US Debt Ceiling Talks, China Data
- Bloomberg: S&P 500 Up 1% on Hopes for Washington Breakthrough

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## Our Economy and the World

### Key Global and Regional Developments over the Past Week

#### [Bloomberg: Xi Summit to Deepen Central Asian Ties in Split-Screen With G-7](#)

President Xi Jinping will seek to deepen Beijing's influence in Central Asia at a major summit, reminding a parallel Group of Seven conclave of China's sway outside the US-led world order. The two-day China-Central Asia Summit will assemble the leaders of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan from Thursday in the Chinese city of Xi'an. Trade ties and regional security concerns will likely dominate talks at the inaugural in-person meeting, along with Russia's war in Ukraine.

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#### [Bloomberg: Italy to Discuss Leaving China's Investment Pact With G-7 Allies](#)

Prime Minister Giorgia Meloni will discuss with Group of Seven allies Italy's decision on whether to pull out of a controversial investment pact with China, according to a senior government official. Bloomberg reported earlier this month that Italy has signaled its intent to quit the massive Belt and Road Initiative, which has funded \$900 billion in infrastructure projects globally. Opposition lawmakers called on the government to respond in parliament on the issue following the article.

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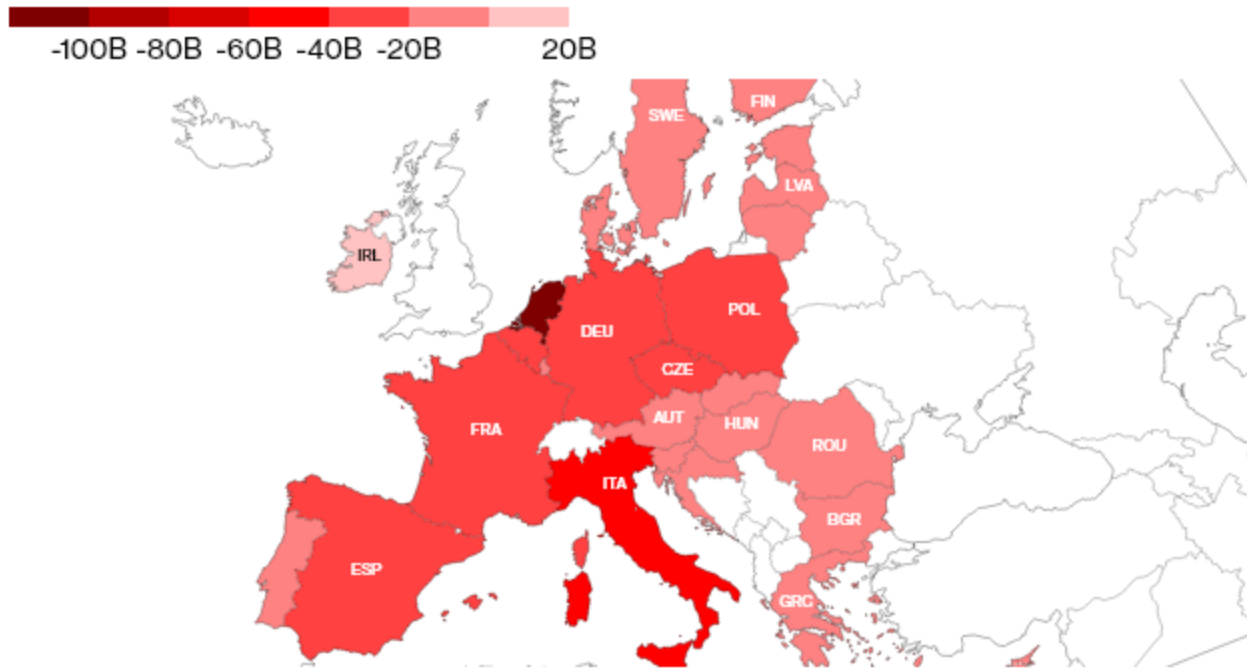
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## Our Economy and the World

### EU Trade Balance of Goods With China

Data in euros for 2022



Source: Eurostat

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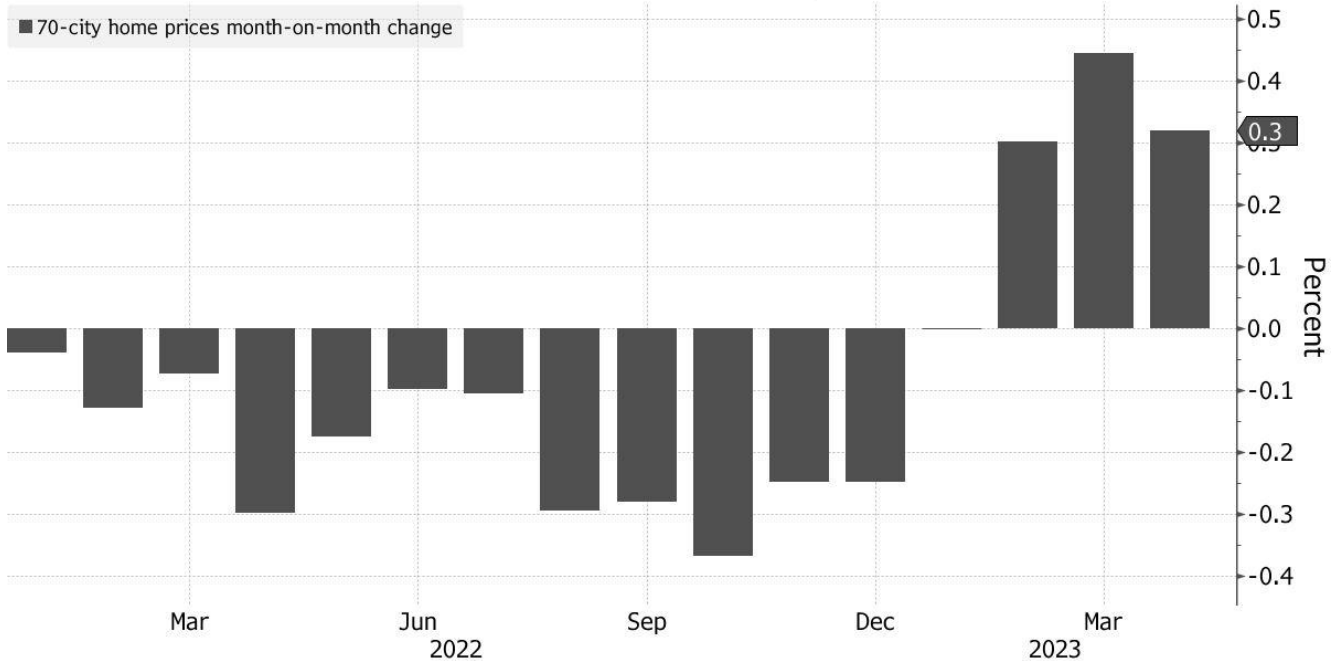
### [Bloomberg: China's Home-Price Growth Slows as Housing Rebound Fizzles](#)

China's home price growth slowed in April, underscoring the challenges the market is facing following a brief recovery. New-home prices in 70 cities, excluding state-subsidized housing, rose 0.32% last month from March, when they grew 0.44%, National Bureau of Statistics figures showed Wednesday. Price gains slowed to just 0.01% in the secondary market, after climbing 0.26% a month earlier.

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## China Home-Price Growth Abates in April



Source: China National Bureau of Statistics

Bloomberg

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## [BBC: US Inflation Below 5% for First Time in Two Years](#)

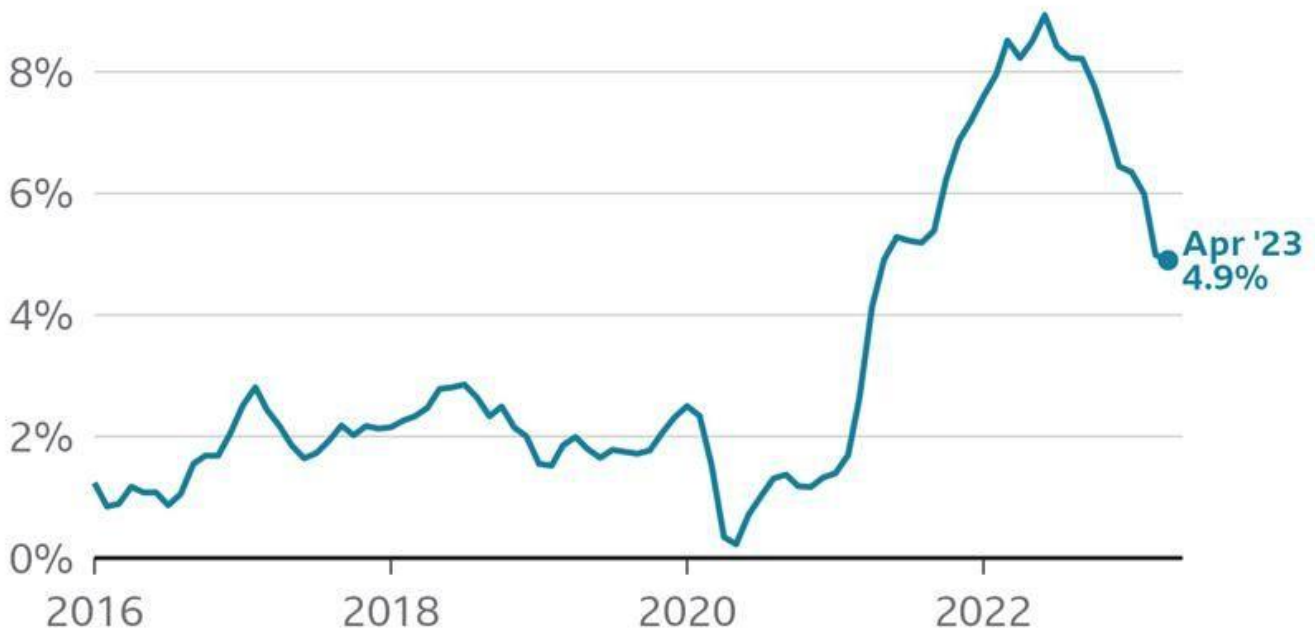
Prices for milk, airline tickets and new cars fell in the US last month, helping drive inflation to its lowest rate in two years. Inflation, the pace at which prices rise, was 4.9% in the 12 months to April, official figures show. That was down from 5% in March, and marks the tenth month in a row that price rises have slowed. The fall comes after the US central bank has sharply raised interest rates to try to control inflation.

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### US inflation at 4.9%

Consumer Price Index for all urban consumers,  
% change from a year ago



Source: US Bureau of Labor Statistics



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### [Reuters: Erdogan says Black Sea grain deal extended for two months](#)

The Ukraine Black Sea grain deal has been extended for two more months, Turkish President Tayyip Erdogan said on Wednesday, one day before Russia could have quit the pact over obstacles to its grain and fertilizer exports.

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## Our Economy and the World

### Special Analysis

#### World Bank: Africa's Pulse - Leveraging Resource Wealth During the Low Carbon Transition

Economic growth in Sub-Saharan Africa slowed to 3.6 percent in 2022, from 4.1 percent in 2021 but may be bottoming out. Weak investment growth and macroeconomic instability are weighing on economic activity. Inflation remains persistently high and above target despite early and sizable interest rate increase. Amid unfavorable global financial conditions and high levels of debt, African policymakers must bank on their domestic policy space to restore macroeconomic stability, deepen structural reforms to foster inclusive growth, and implement policies that harness the region's resource wealth during the low carbon transition. This natural wealth holds significant untapped economic potential to address fiscal challenges and drive economic transformation. The low carbon transition is irreversible and will be intensive in the minerals required for the clean energy transition, many of which are abundant across Africa.

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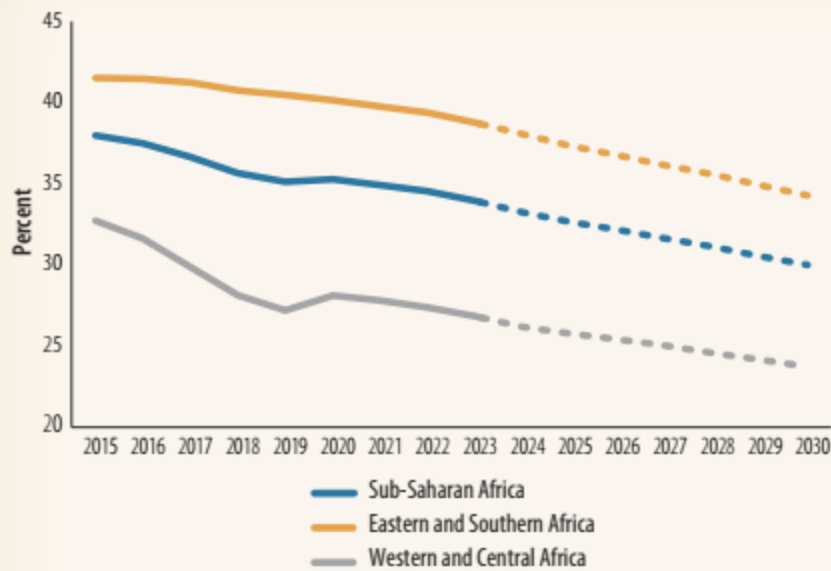
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FIGURE 1.3: Headcount Poverty Ratio in Sub-Saharan Africa, by Subregion



The low rate of growth in per capita terms resulted in a slower reduction of extreme poverty rates over time.

Source: World Bank staff estimates and projections.

Note: The headcount poverty rate is based on US\$2.15 per person per day in 2017 purchasing power parity.

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## Our Economy and the World

### Developments in Financial and Commodity Markets in the Past Week

#### [Reuters: Asian FX Stumbles on US Debt Ceiling Talks, China Data](#)

Asian currencies struggled to advance against the U.S. dollar on Wednesday, as softer Chinese economic data and the talks over the U.S. debt ceiling dampened investor sentiment and stoked concerns of a global slowdown. China's new home prices rose for the fourth straight month in April, but at a slower pace, official data revealed, adding to concerns over the pace of recovery in a sector crucial to China's economic health. It followed downbeat data on Tuesday that showed property investment and sales were falling sharply.

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#### [Bloomberg: S&P 500 Up 1% on Hopes for Washington Breakthrough](#)

The stock market climbed on speculation that a narrower group of Washington negotiators will break a deadlock on raising the US debt ceiling and avoid an unprecedented default. Equities halted the recent trading lull, with gains in the S&P 500 topping 1% and the Nasdaq 100 hitting the highest since August. Treasuries dropped, with yields on 10-year notes approaching 3.6%. President Joe Biden expressed confidence there will be no default, and House Speaker Kevin McCarthy said reaching an agreement this week is “doable.”

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