



Our Economy and The World

The Weekly Report

Issue: 91 Date: 25th February 2018

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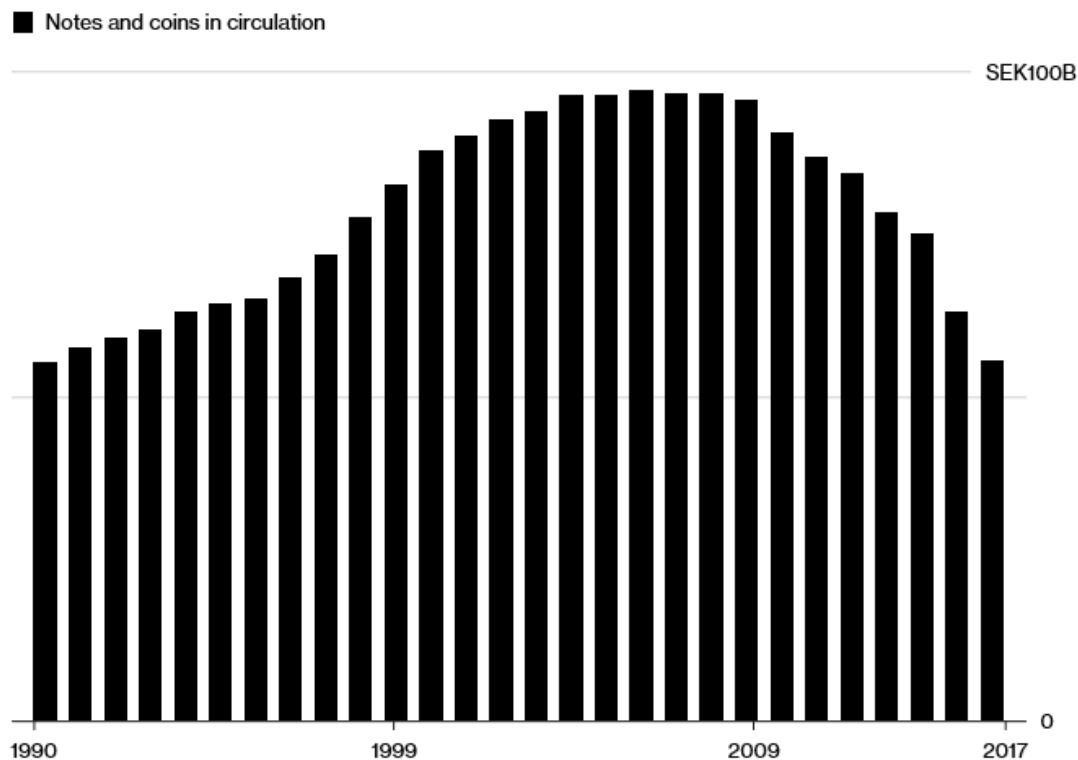
Key Global and Regional Developments over the Past Week

Bloomberg: 'No cash' signs everywhere has Sweden worried it has gone too far

"No cash accepted" signs are becoming an increasingly common sight in shops and eateries across Sweden as payments go digital and mobile. But the pace at which cash is vanishing has authorities worried. A broad review of central bank legislation that's under way is now taking a special look at the situation, with an interim report due as early as the summer.

Disappearing Cash

Value of Swedish notes and coins in circulation has dropped to the lowest level since 1990



Source: Statistics Sweden

[Read the full article](#)

Egypt is too far from worrying about being a cashless economy ☺

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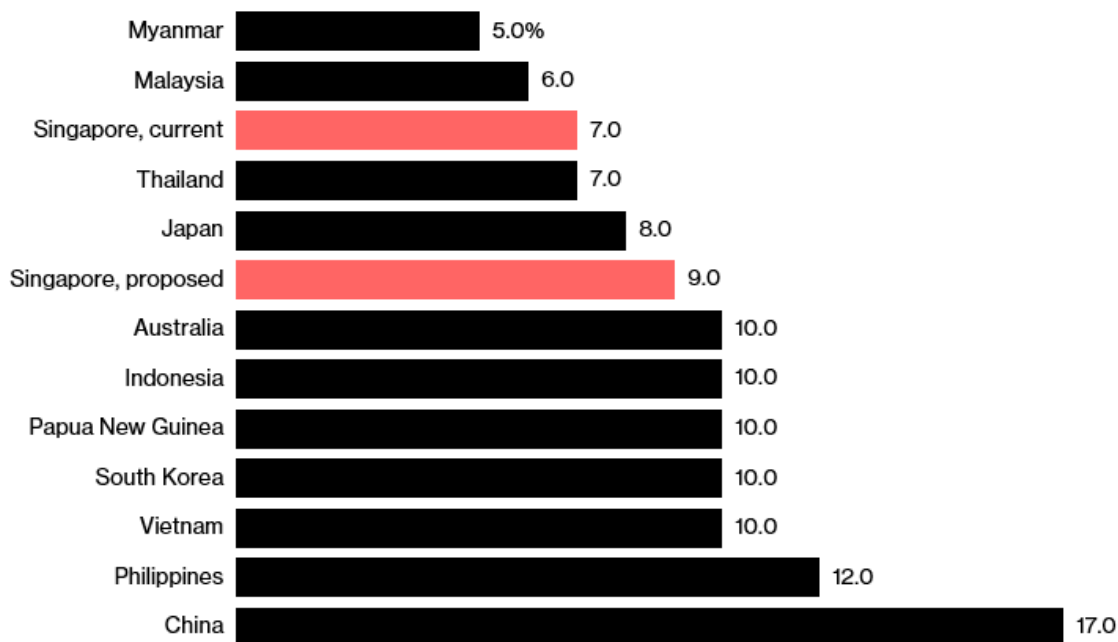
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[Bloomberg: Singapore plans to boost goods and services tax to 9%](#)

Singapore Finance Minister Heng Swee Keat announced a range of tax increases in his budget, including a surprise hike in property levies, as he seeks to shore up savings to cope with a rapidly aging population. The stamp duty on residential properties in excess of S\$1 million (\$761,600) was increased to 4 percent from 3 percent, effective from Tuesday, Heng said in a speech in Parliament. The government also plans to raise the goods and services tax by 2 percentage points to 9 percent sometime from 2021 to 2025, he said.

Stiff Competition

Even with increase, Singapore boasts sales tax that's on the lower side in Asia



[Read the full article](#)

[Reuters: In boost to reform, Saudi Arabia's cabinet approves bankruptcy law](#)

Saudi Arabia's cabinet has approved a bankruptcy law, sources familiar with the matter said on Sunday, giving a boost to efforts to make the kingdom more enticing to investors. Modern bankruptcy legislation does not currently exist in Saudi Arabia, creating difficulties for struggling companies seeking to restructure debt with creditors since the 2009 global financial crisis and, more recently, the dip in oil prices.

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Bloomberg: China warns it may retaliate if U.S. imposes metal tariffs

China said proposed U.S. tariffs on imported steel and aluminum products are groundless and that it reserves the right to retaliate if they are imposed. The U.S. recommendations, unveiled by the Commerce Department on Friday, aren't consistent with the facts, Wang Hejun, chief of the trade remedy and investigation bureau at China's Ministry of Commerce, said in a statement posted on its website.

[Read the full article](#)

Reuters: India bank hack 'similar' to \$81 million Bangladesh central bank heist

Hackers who tried to steal nearly \$2 million from India's City Union Bank this month used tactics similar to those employed in the unsolved cyber heist of \$81 million from Bangladesh's central bank in 2016, City's CEO said on Monday. The unknown hackers disabled the City printer connected to global payments platform SWIFT on Feb. 6, preventing the bank from receiving acknowledgement messages for three fraudulent payment instruction sent that evening until the next morning. "Nobody suspected that it was an attack and thought it was a systemic network failure," N. Kamakodi told Reuters by phone.

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Special Analysis – OECD Taxing Energy Use 2018

Many forms of energy use are associated with environmental and health damages and contribute to climate change, so the social cost of energy use frequently exceeds private cost. Taxes on energy use – carbon taxes and other specific taxes on energy use – can make energy users pay for the full costs of pollution and climate change, so reducing harmful emissions at minimal cost, while also raising revenue that can fund vital government services. These considerations may affect policy design to an extent, but this report clearly shows that energy taxes continue falling well short of their potential to improve environmental and climate outcomes.

Based on OECD's *Taxing Energy Use* database, a unique database to compare coverage and magnitude of specific taxes on energy use across 42 OECD and G20 economies, six sectors and five main fuel types, this report assesses the magnitude and coverage of taxes on energy use in 2015, and considers change between 2012 and 2015. Together, the 42 countries represent approximately 80% of global energy use and CO2 emissions associated with energy use, this uniquely detailed and comprehensive database is now available for 2012 and 2015.

The main findings are as follows: taxes are strongly heterogeneous, so are poorly described by country averages; almost all taxes are too low from an environmental point of view; taxes on coal often equal zero or nearly so; taxes in road transport are much higher than taxes in other sectors, but still are too low to cover external costs in nearly all cases; taxes tend to be higher where GDP per capita is higher but there are notable exceptions to this pattern; fuel taxes increased between 2012 and 2015 in some large countries, and first steps towards removing lower tax rates on diesel compared to gasoline are taken, but apart from that there are no signs that the polluters pays principle determines the energy tax landscape more strongly in 2015 than in 2012.

[Read the full report](#)

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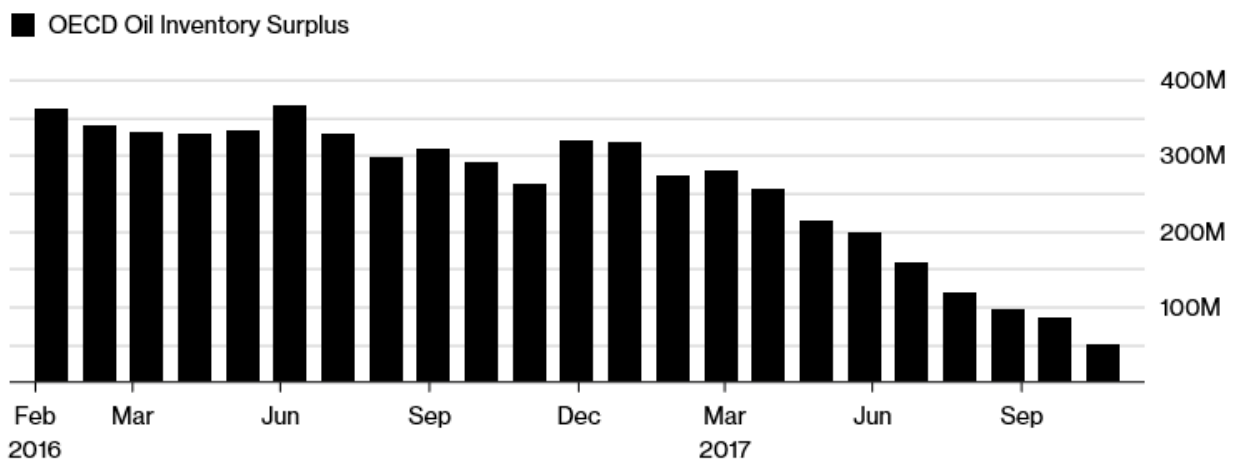
Recent Developments in Financial and Commodity Markets

Bloomberg: Saudi Arabia is taking a harder line on oil prices

For decades, Saudi Arabia was the voice of moderation within OPEC, pushing back against the urging of members like Venezuela and Iran for higher oil prices. That role seems to be shifting. Thanks to OPEC-led production cuts, crude prices are double their level two years ago and bloated oil stockpiles are almost back to normal. Yet Saudi Energy Minister Khalid Al-Falih wants to go further. Producers should keep cutting for the whole year, even if it causes a small supply shortage, Al-Falih said. "If we have to overbalance the market a little bit, then so be it," he told reporters in Riyadh last week.

When Success Isn't Enough

OPEC has almost cleared the oil glut, but Saudi Arabia wants to go further



Source: IEA

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Reuters: Congress sets sights on federal cryptocurrency rules

Jolted by the global investment craze over bitcoin and other cryptocurrencies, U.S. lawmakers are moving to consider new rules that could impose stricter federal oversight on the emerging asset class, several top lawmakers told Reuters. Bipartisan momentum is growing in the Senate and House of Representatives for action to address the risks posed by virtual currencies to investors and the financial system, they said. Even free-market Republican conservatives, normally wary of government red tape, said regulation could be needed if cryptocurrencies threaten the U.S. economy.

[Read the full article](#)

“In light of its monitoring of the recently circulated news about cryptocurrencies, such as Bitcoin and others, the Central Bank reiterates its stern warning against trading in all kinds of cryptocurrencies, mainly Bitcoin, due to the extremely high risk associated with them. Cryptocurrencies are typically characterized by fluctuations and significant price volatility; as their global speculations are completely unregulated, a fact that makes investments in them quite risky and highly speculative, and are likely to lead to sudden losses of their whole value.”

Central Bank of Egypt, Press release.

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