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Our Economy and the World

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

Key Global and Regional Developments over the Past Week

CNBC: Germany slashes 2024 growth forecast to just 0.2% as economy in 'tricky waters,' minister says

Germany's gross domestic product is now expected to grow by just 0.2% this year, as the country wades in "tricky waters," German Economy Minister Robert Habeck said Wednesday. The revised GDP growth forecast is down from a previous estimate of 1.3%. Habeck said the government now anticipates German GDP to increase by 1% in 2025. Speaking during a news briefing, the minister attributed the revised forecast to an unstable global economic environment and to the low growth of world trade, alongside higher interest rates.

(Read Full Article)

Reuters: UK sees record monthly budget surplus, but tough picture ahead of budget

Britain chalked up its highest ever monthly budget surplus in January due to record seasonal tax inflows, official figures showed on Wednesday, although the broader picture remains tough as finance minister Jeremy Hunt prepares his annual budget. The Office for National Statistics said Britain ran a budget surplus of 16.7 billion pounds ($21.1 billion) in January, up from 7.5 billion pounds a year earlier although below economists' 18.7-billion-pound forecast in a Reuters poll.

(Read Full Article)

Reuters: Japan downgrades view of economy on sluggish consumer spending

Japan's government downgraded its view on the economy in February for the first time in three months on sluggish consumer spending, suggesting a bumpy path out of a recession in the face of slow wage recovery and lackluster industrial output. The government also slashed its assessment on consumer spending for the first time in two years, saying a pickup seems to be "stalling," underlining the challenge for the Bank of Japan as it looks to exit its ultra-easy policy this year.

(Read Full Article)

Financial Times: EU agrees first sanctions on Chinese and Indian companies for Russia war links

EU has agreed a new package of sanctions against Russia that for the first time targets Chinese and Indian companies accused of supporting Moscow's war effort. The measures, which will be the 13th package of sanctions imposed by Brussels in response to Russia's full-scale invasion of Ukraine, target close to 200 individuals and entities but stop short of any sweeping economic action targeting crucial industrial sectors.

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Reuters: China 2023 coal power approvals rose, putting climate targets at risk

China approved another 114 gigawatts (GW) of coal power capacity in 2023, up 10% from a year earlier, with the world's top carbon polluter now at risk of falling short on climate targets after sanctioning dozens of new plants, research showed on Thursday. In an effort to bring climate-warming emissions to a peak by 2030, China has vowed to "strictly control" new coal-fired generation capacity, and has also connected record numbers of new wind and solar plants to its grid.

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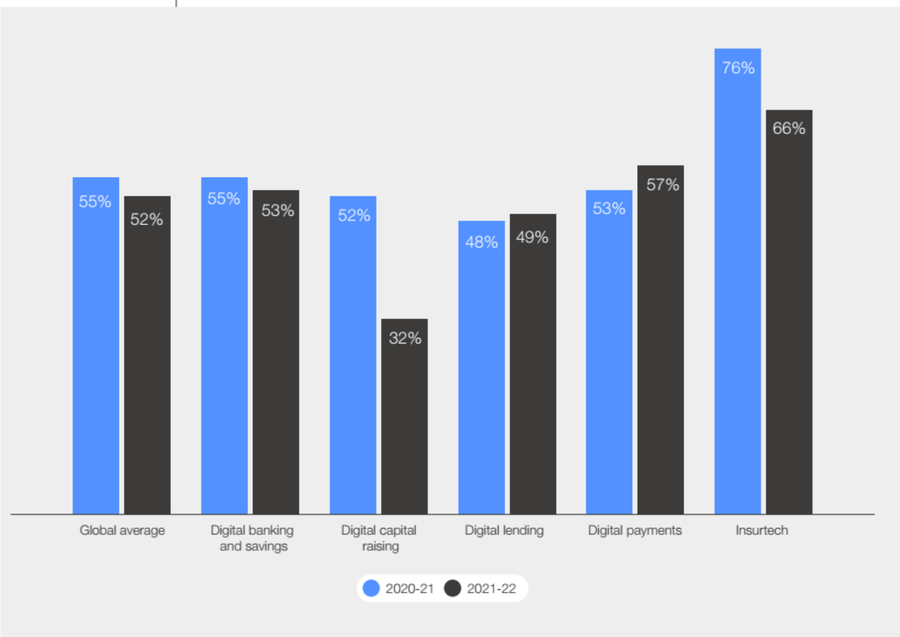
Special Analysis

World Economic Forum: The Future of Global Fintech: Towards Resilient and Inclusive Growth

This report, a collaboration between the World Economic Forum and the Cambridge Centre for Alternative Finance, reveals new data on the rapidly evolving fintech ecosystem and the opportunities fintech activities are offering traditionally underserved consumers and businesses. With global fintechs reporting customer growth rates averaging above 50%, the report delves into an expanding industry characterized by innovation and regulatory complexities. Research findings are based on a global survey of over 200 fintech companies across five retail-facing industry verticals and six regions. The publication presents actionable insights to public and private sector decision-makers to facilitate further responsible growth of the fintech industry.

FIGURE 3 Rate of customer growth 2020-2021 and 2021-2022 – by business model



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Developments in Financial and Commodity Markets in the Past Week

CNBC: Oil prices rise as Fed officials indicate interest rates have peaked

Crude oil futures rose Wednesday as Federal Reserve officials indicated that interest rates have likely reached their peak. The West Texas Intermediate contract for April gained 87 cents, or 1.13%, to settle at $77.91 a barrel. April Brent futures added 69 cents, or 0.84%, to settle at $83.03 a barrel. Fed officials agreed during the central bank's January meeting that interest rates have likely peaked, according to minutes from the proceeding released Wednesday.

(Read Full Article)

Bloomberg: China tightens grip on stocks with net sale ban at open, close

China has banned major institutional investors from reducing equity holdings at the open and close of each trading day, part of the government's most forceful attempt yet to prop up the nation's $8.6 trillion stock market. The order from China's securities watchdog was recently delivered to major asset managers and the proprietary trading desks of brokerages, according to people familiar with the matter, who asked not to be named because they weren't authorized to speak publicly.

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