

# اقتصادنا والعالم

## Our Economy and the World

**Issue: 368**

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

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

- Reuters: ECB to approve Greek banks' request to resume dividend payment after 16 years, sources say
- Bloomberg: China services expansion picks up to strongest in 10 months
- Bloomberg: US hiring slows to weakest pace since start of year in ADP data
- CNBC: European Central Bank set to cut rates for the first time since 2019

### **Special Analysis**

- World Bank: Digital Opportunities in African Businesses

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

- CNBC: Oil prices rebound from four-month lows after OPEC+ decision triggered selloff
- Financial Times: European gas price jumps 13% after Norwegian outage

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## Our Economy and the World

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

#### [Reuters: ECB to approve Greek banks' request to resume dividend payment after 16 years, sources say](#)

The European Central Bank is expected to approve a request by Greek banks to resume the payment of dividends after 16 years, four bankers told Reuters on Wednesday, a further sign of the sector's rebound. The Greek banking sector is returning to normality after three recapitalisations that led to their nationalisation in the previous decade, when the country was rocked by a financial crisis that broke out in late 2009.

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#### [Bloomberg: China services expansion picks up to strongest in 10 months](#)

China's services sector expanded at its fastest pace since July last year, a private survey showed, pointing to resilience that may alleviate concerns over the economy's outlook after weak official figures. The Caixin China services purchasing managers' index rose to 54 in May, according to a statement released jointly by Caixin and S&P Global Wednesday. That's the highest in 10 months and beat the median forecast of 52.5 in a Bloomberg survey of economists.

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### **Bloomberg: US hiring slows to weakest pace since start of year in ADP data**

Hiring at US companies grew in May at the slowest pace since the start of the year, restrained by a steep decline in factory payrolls and adding to evidence of a cooling in the labor market. Private payrolls increased 152,000 last month, according to the ADP Research Institute. The median estimate in a Bloomberg survey of economists called for a 175,000 increase.

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### **CNBC: European Central Bank set to cut rates for the first time since 2019**

The European Central Bank this week is set to cut borrowing costs for the euro area for the first time since September 2019. It will mark the official end to the record fast-hiking cycle that begun after the Covid-19 pandemic as inflation soared. But investors' attention looks like it has already moved on to what will happen after this June cut by the Frankfurt institution.

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### Special Analysis

#### World Bank: Digital Opportunities in African Businesses

Adoption of digital technologies is widely acknowledged to boost productivity and employment, stimulate investment, and promote growth and development. Africa has already benefited from a rapid diffusion of information and communications technology, characterized by the widespread adoption of mobile phones. However, access to and use of digital technology among firms is uneven in the region, varying not just among countries but also within them. Consequently, African businesses may not be reaping the full potential benefits offered by ongoing improvements in digital infrastructure. Using rich datasets, Digital Opportunities in African Businesses offers a new understanding of the region's incomplete digitalization—namely, shortfalls in the adoption and effective use of digital technology by firms to perform productive tasks.

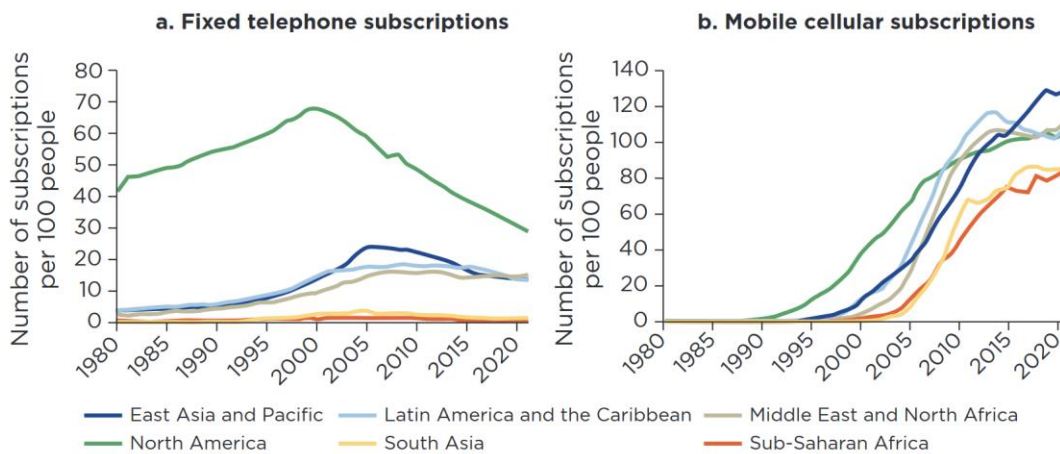
The research presented here also highlights the challenges in addressing incomplete digitalization, finding that the cost of machinery, equipment, and software, as well as the cost of connectivity to the internet, is significantly more expensive in Africa than elsewhere. Digital Opportunities in African Businesses outlines ways in which the private sector, with support from policy makers, international institutions, and regulators, can help bring down these costs, stimulating more widespread digitalization of the region's firms, thereby boosting productivity and, by extension, economic development.

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**FIGURE I.1**

Mobile Telephony Diffusion in Africa—A Rare Example of Leapfrogging



Source: World Bank (2023).

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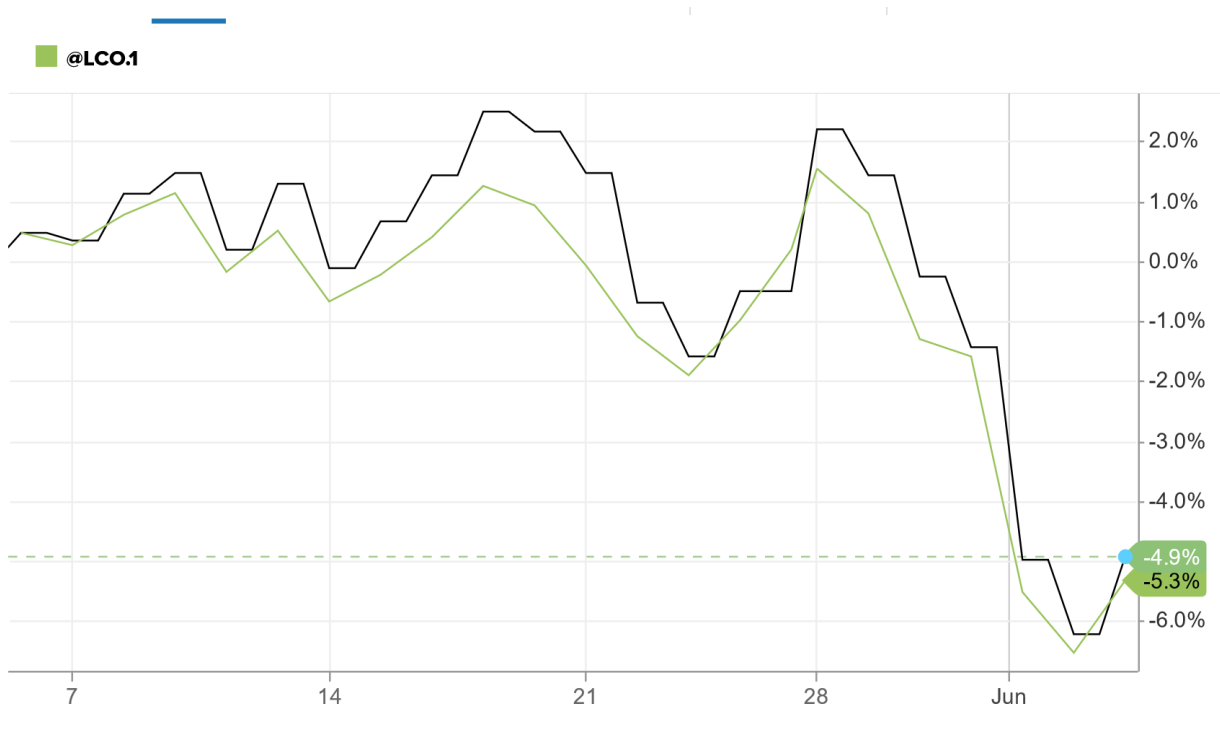
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### Developments in Financial and Commodity Markets in the Past Week

#### CNBC: Oil prices rebound from four-month lows after OPEC+ decision triggered selloff

Crude oil futures rose more than 1% on Wednesday, bouncing back from four-month lows after a decision by OPEC+ to increase production triggered a selloff this week. U.S. crude and global benchmark Brent are down nearly 4% this week after eight OPEC+ members agreed Sunday to gradually phase out 2.2 million barrels per day in production cuts.



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### Financial Times: European gas price jumps 13% after Norwegian outage

Europe's gas price on Monday jumped to its highest level this year following an outage at a gas processing plant in Norway, highlighting the increasingly pivotal nature of Norwegian supplies after the continent largely weaned itself off Russian imports. The price of the European benchmark TTF surged past €38 per megawatt hour on the Intercontinental Exchange, up more than 13 percent, before falling back to €36.80. The rise to the highest prices since early December is the latest sign that markets remain on the edge despite near-record levels of gas storage in Europe.

#### European gas price jumps

TTF (euros/mwh)



Source: LSEG  
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