



# اقتصادنا والعالم

## 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**

- Bloomberg: Xi to map out vision for China's economy as key meeting wraps up
- BBC: Interest rates could stay higher for longer, warns IMF
- Reuters: US firms point to slowing activity and softer labor market, Fed survey shows
- Bloomberg: WTO cites lack of transparency on China industrial subsidies

### **Special Analysis**

- IMF: Global growth broadly unchanged amid persistent services inflation

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

- Reuters: ASIA Volatility returns as tech tanks, yen spikes
- Reuters: Oil prices gain 2% on big US storage withdrawal, weaker US dollar

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## Our Economy and the World

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

#### [Bloomberg: Xi to map out vision for China's economy as key meeting wraps up](#)

President Xi Jinping will unveil his long-term vision for China's economy as he wraps up a twice-a-decade conclave on reform, days after unexpectedly weak growth figures piled pressure on Beijing to act urgently to reinvigorate domestic demand. The ruling Communist Party is set to publish a document on Thursday—typically written in cryptic and sweeping language—offering the first glimpse of what some 400 officials discussed behind closed doors during the four-day meeting in Beijing. Normally, that communique is fleshed out days later by a more detailed report.

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#### [BBC: Interest rates could stay higher for longer, warns IMF](#)

Countries including the UK and the US are "seeing some persistence" in inflation that might mean interest rates have to stay "higher for even longer", the International Monetary Fund (IMF) has warned. The body also said elections across the world had increased "uncertainty" over economic growth amid concerns over "significant swings" in policy from new governments.

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### **Reuters: US firms point to slowing activity and softer labor market, Fed survey shows**

U.S. economic activity expanded at a slight to modest pace from late May through early July with firms expecting slower growth ahead as they also reported signs the jobs market continues to soften, in line with the Federal Reserve's recent pivot to more keenly assessing slowing demand for labor to ensure it doesn't wait too long before cutting interest rates.

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### **Bloomberg: WTO cites lack of transparency on China industrial subsidies**

The World Trade Organization highlighted China's "lack of transparency" on industrial subsidies, suggesting the absence of such public information is fueling complaints from other nations about the threat of Chinese goods flooding the global economy.

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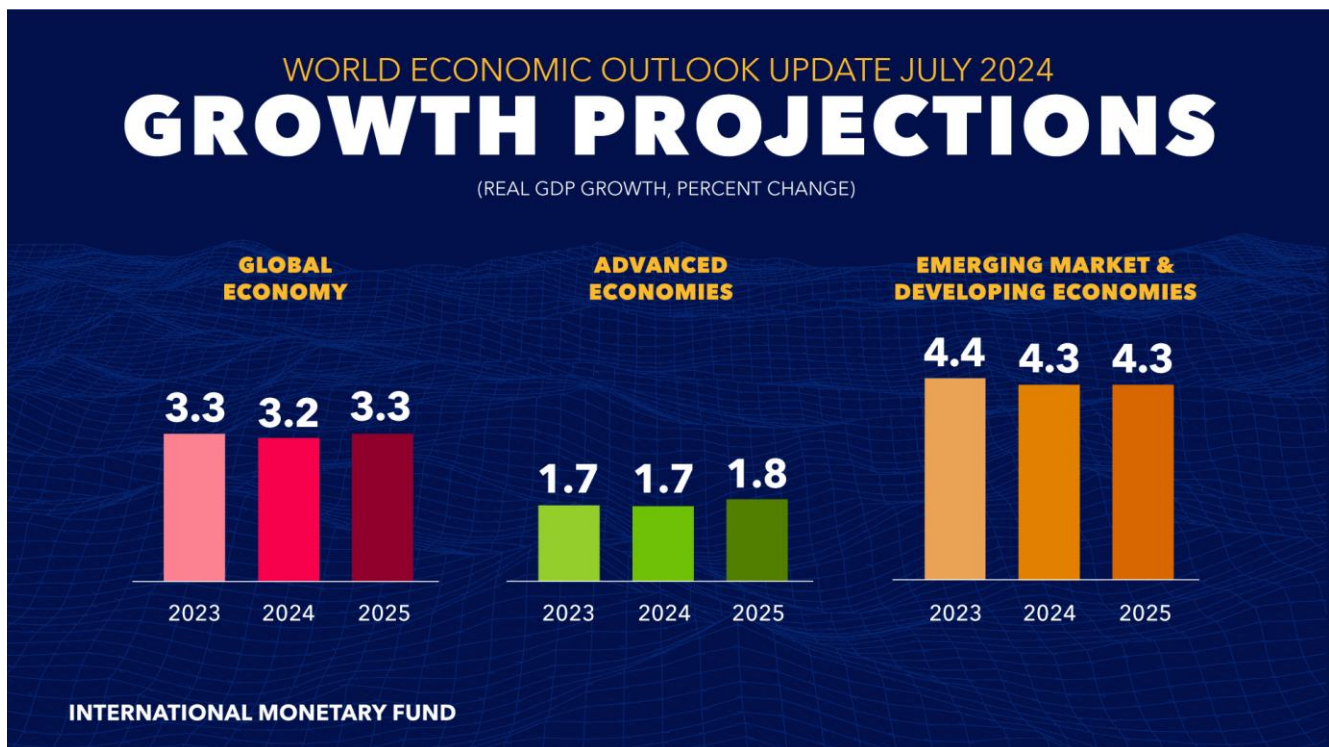
# اقتصادنا والعالم

## Our Economy and the World

### Special Analysis

#### IMF: Global growth broadly unchanged amid persistent services inflation

Global growth is projected to be in line with the April 2024 World Economic Outlook (WEO) forecast, at 3.2 percent in 2024 and 3.3 percent in 2025. Services inflation is holding up progress on disinflation, which is complicating monetary policy normalization. Upside risks to inflation have thus increased, raising the prospect of higher for even longer interest rates, in the context of escalating trade tensions and increased policy uncertainty. The policy mix should thus be sequenced carefully to achieve price stability and replenish diminished buffers.



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

#### **Reuters: ASIA Volatility returns as tech tanks, yen spikes**

Asian markets are set to open in the red on Thursday following Wednesday's global selloff, as the prospect of more severe U.S. trade curbs puts the frighteners on investors and squeezes the tech sector in particular. Chipmaker and tech stocks in Asia face a double whammy as investors weigh a report that the United States may restrict imports of technology to China, and comments from Republican presidential candidate Donald Trump that production hub Taiwan should pay the U.S. for its defense.

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#### **Reuters: Oil prices gain 2% on big US storage withdrawal, weaker US dollar**

Oil prices climbed about 2% on Wednesday on a bigger-than-expected weekly drop in U.S. crude stockpiles and as a weaker U.S. dollar overshadowed signs of lower economic growth in China. Brent futures rose \$1.35, or 1.6%, to \$85.08 a barrel by 1:33 p.m. EDT (1733 GMT), while U.S. West Texas Intermediate (WTI) crude rose \$2.09, or 2.6%, to settle at \$82.85.

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