

اقتصادنا والعالم

Our Economy and the World

Issue: 398

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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: Euro zone business activity returns to growth in Jan, PMI shows
- Bloomberg: EU Sees Path to Negotiate with Trump to Avoid a Tariff Fight
- Reuters: BOJ keeps up rate-hike signal as wages rise
- Reuters: Record high imports pressure US trade deficit

Special Analysis

- World Bank: Global Economic Prospects, January 2025

Developments in Financial and Commodity Markets in the Past Week

- Reuters: Oil down as US crude inventories swell, traders worry about China-US trade
- Reuters: Gold adds to record rally as trade war anxiety lifts demand

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Our Economy and the World

Key Global and Regional Developments over the Past Week

[Reuters: Euro zone business activity returns to growth in Jan, PMI shows](#)

Euro zone business activity returned to growth at the start of the year after two months of contraction as demand stabilised, a survey showed on Wednesday. HCOB's final composite Purchasing Managers' Index for the bloc, compiled by S&P Global and seen as a good gauge of overall economic health, rose to 50.2 in January from December's 49.6. That matched a preliminary estimate and was just above the 50 mark separating contraction from growth.

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[Bloomberg: EU Sees Path to Negotiate With Trump to Avoid a Tariff Fight](#)

The European Union is preparing for a transatlantic trade fight, but US President Donald Trump's decision to delay broad tariffs on Mexico and Canada this week has bolstered confidence in the bloc that it will be able to negotiate an acceptable outcome.

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Reuters: BOJ keeps up rate-hike signal as wages rise

The Bank of Japan will continue to raise interest rates if underlying inflation accelerates toward its 2% target as projected, a senior central bank official said on Wednesday. "Underlying inflation is heading toward 2% but still remains below that level now. As such, we must support economic activity with loose monetary policy," Kazuhiro Masaki, director-general of the BOJ's monetary affairs department, told parliament.

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Reuters: Record high imports pressure US trade deficit

The U.S. trade deficit widened sharply in December as imports surged to a record high against the backdrop of tariff threats, which might have prompted businesses to rush purchases of foreign-made goods like finished metals and computers. The report from the Commerce Department on Wednesday showed the United States experienced significant deficits with several trade partners, including China, Mexico and Canada, which have been targeted by President Donald Trump's administration for broad or additional tariffs.

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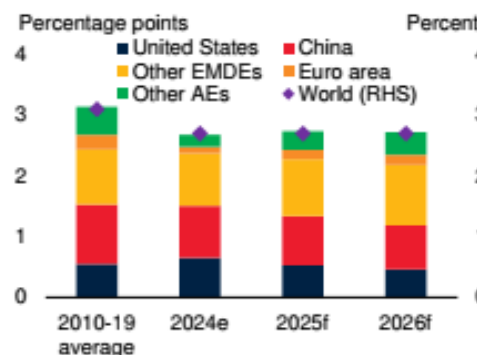
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Special Analysis

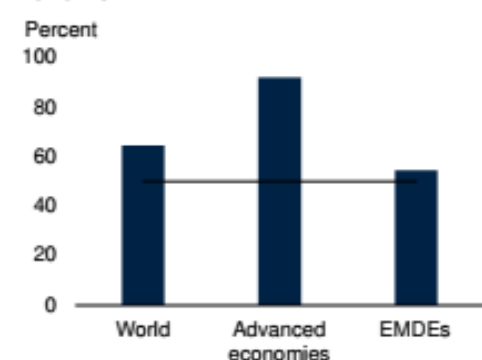
World Bank: Global Economic Prospects, January 2025

Global growth is expected to hold steady at 2.7 percent in 2025-26. However, the global economy appears to be settling at a low growth rate that will be insufficient to foster sustained economic development—with the possibility of further headwinds from heightened policy uncertainty and adverse trade policy shifts, geopolitical tensions, persistent inflation, and climate-related natural disasters. Against this backdrop, emerging market and developing economies are set to enter the second quarter of the twenty-first century with per capita incomes on a trajectory that implies substantially slower catch-up toward advanced-economy living standards than they previously experienced. Without course corrections, most low-income countries are unlikely to graduate to middle-income status by the middle of the century. Policy action at both global and national levels is needed to foster a more favorable external environment, enhance macroeconomic stability, reduce structural constraints, address the effects of climate change, and thus accelerate long-term growth and development.

A. Contributions to global growth



B. Share of economies with average trade growth in 2025-26 lower than in 2010-19



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[Reuters: Oil down as US crude inventories swell, traders worry about China-US trade](#)

"Refiners just don't have a call for crude right now," said John Kilduff, a partner at Again Capital in New York. "They're racing into maintenance, given the slack demand we're seeing for gasoline," he added. Concern over a new trade war between the U.S. and China, the world's largest energy importer, also pressured prices.

[\(Read Full Article\)](#)

[Reuters: Gold adds to record rally as trade war anxiety lifts demand](#)

Gold prices continued their record run on Wednesday, as investors sought the safe-haven asset amid escalating concerns about a U.S.-China trade war and the potential impact on economic growth. Spot gold was up 0.8% at \$2,865.61 per ounce by 01:59 p.m. ET (1859 GMT), after hitting a record high of \$2,882.16 earlier in the session.

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