

# 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

- [Financial Times: US and China agree 1-year trade truce after Donald Trump-Xi Jinping talks](#)
- [Reuters: China's factory activity expected to fall as demand dwindles](#)
- [Reuters: French economy grows 0.5% in third quarter, faster than expected](#)
- [Reuters: BOJ holds rates steady, keeps future hikes in view](#)
- [Bloomberg: China Says Planned Rare-Earth Export Curbs Paused for a Year](#)

### Special Analysis

- [IMF: Navigating Trade Headwinds and Rebalancing Growth](#)

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

- [Reuters: Oil settles higher on large drop in US stockpiles, trade optimism](#)
- [Investing.com: Gold prices snap 4-day losing streak after Fed rate cut, Trump-Xi meeting](#)

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## Our Economy and the World

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

#### [Financial Times: US and China agree 1-year trade truce after Donald Trump-Xi Jinping talks](#)

Donald Trump and Xi Jinping have agreed to postpone export controls on rare earths and chips as part of a broad one-year trade deal that the US and Chinese leaders reached at a summit in South Korea. The US and China said they also reached agreements on tariffs related to fentanyl and tit-for-tat levies on each other's shipping industries, as both leaders sought to ease tensions in their first meeting in six years.

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#### [Reuters: China's factory activity expected to fall as demand dwindles](#)

China's factory activity likely shrank for a seventh month in October, underscoring the need for further stimulus to bolster domestic demand, as producers' efforts to offload goods abroad merely exported the price wars weighing on them at home. A Reuters poll of 28 economists forecast the official purchasing managers' index (PMI) would slip to 49.6 from September's 49.8, remaining below the 50-point threshold that separates growth from contraction.

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### [Reuters: French economy grows 0.5% in third quarter, faster than expected](#)

France's economy grew 0.5% in the third quarter, faster than forecast, as exports surged mainly due to shipments from the aeronautics industry and higher corporate investments despite a political crisis, official data published on Thursday showed. Economists polled by Reuters had, on average, forecast 0.2% growth from the second quarter when the euro zone's second-biggest economy had expanded 0.3%.

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### [Reuters: BOJ holds rates steady, keeps future hikes in view](#)

The Bank of Japan kept interest rates steady on Thursday but repeated its pledge to continue increasing borrowing costs if the economy moves in line with its projections, shifting investor focus to the prospect of a hike as soon as December. While the central bank roughly maintained its long-term forecasts, it elaborated on overseas risks that may hurt Japan's recovery in a sign of its focus on growth concerns.

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### [Bloomberg: China Says Planned Rare-Earth Export Curbs Paused for a Year](#)

China paused plans for a dramatic expansion of its rare-earths export controls, offering relief to global buyers after a tumultuous year and handing major economies more time to tackle Beijing's grip on the industry. Export controls announced on October 9 will be paused for one year, China's ministry of commerce said in a statement on its website, after President Donald Trump and President Xi Jinping met to strike a trade deal in Seoul.

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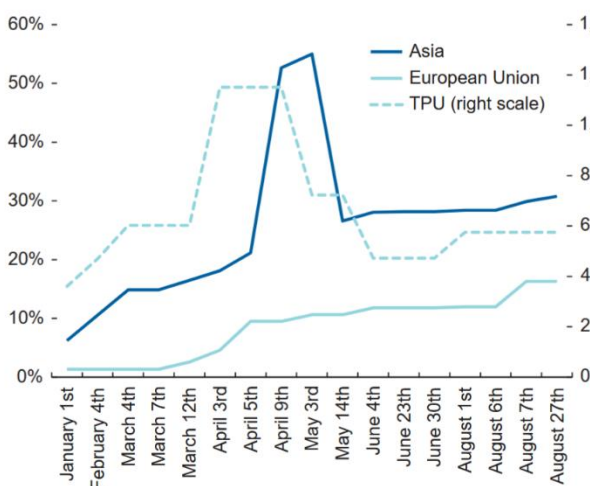
### Special Analysis

#### IMF: Navigating Trade Headwinds and Rebalancing Growth

Economies in the Asia-Pacific region have been resilient in 2025, posting stronger-than-expected economic growth in the first half of the year amid external and domestic challenges. Nevertheless, higher US tariffs and increasing protectionism will likely reduce demand for Asian exports and eventually weigh on growth in the near term. Amid these forces, policies should focus on increasing regional integration by reducing barriers to trade and investment, and boosting productivity growth with better financial intermediation and allocation of capital. Additional measures to support the services sector, mitigate the impact of population aging, and upgrade policy frameworks are critical for resilient and sustainable growth, and would help prepare for future shocks.

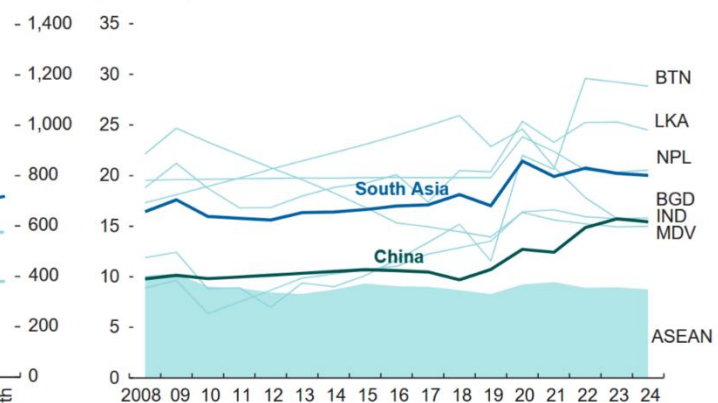
**Figure 1.1. Domestic and External Pressures**  
*Uncertainty soared amid tariff announcements...*

**1. US Effective Tariffs and Trade Uncertainty**  
*(Percent; index, right scale)*



*... and added to internal socio-political pressures*

**2. Youth Unemployment: Emerging and Developing Asia**  
*(Percent)*



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

#### [Reuters: Oil settles higher on large drop in US stockpiles, trade optimism](#)

Oil prices rose on Wednesday after data showed U.S. crude and fuel inventories drew down more than expected last week, and as U.S. President Donald Trump's optimistic tone over upcoming talks with his Chinese counterpart helped ease economic jitters.

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#### [Investing.com: Gold prices snap 4-day losing streak after Fed rate cut, Trump-Xi meeting](#)

Gold prices snapped a four-day losing streak in Asian trading on Thursday, as an expected Federal Reserve rate cut provided a little support, while the lack of details on trade progress after Donald Trump's meeting with Xi Jinping also provided support.

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