News In Brief

Countries worldwide to experience slow economic growth despite declining inflation rate: warns a UN report

The global GDP growth is projected to slow from 2.7 percent in 2023 to 2.4 percent in 2024, according to the World Economic Situation and Prospects (WESP) 2024 launched by the Economic Commission for Africa (ECA) in Addis Ababa, Ethiopia.

Growth is forecast to improve moderately to 2.7 percent in 2025 but will remain below the pre-pandemic trend growth rate of 3.0 percent.

Adam Elhiraika, Director, Macroeconomics and Governance Division of ECA said, tight financial conditions, coupled with a growing risk of geopolitical fragmentation, pose increasing risks to global trade and industrial production.

He said while the world economy avoided the worst-case scenario of a recession in 2023, a protracted period of low growth looms large. Growth prospects for many developing countries, especially vulnerable and low-income countries, have remained weak, making a full recovery of pandemic losses ever more elusive.

"The unfolding climate crisis and extreme weather events will undermine agricultural output and tourism, while geopolitical instability will continue to adversely impact several subregions in Africa, especially the Sahel and North Africa," said Elhiraika.

The report indicates that developing countries face divergent near-term growth prospects. The economic growth in Africa he said is projected to remain weak, increasing from an average of 3.3 percent in 2023 to 3.5 percent in 2024.

On inflation, the report says that after surging for two years, global inflation eased in 2023 but remained above the 2010-2019 average. Global headline inflation fell from 8.1 percent in 2022, the highest value in almost three decades, to an estimated 5.7 percent in 2023.

HopestoneChavula, ECA Economic Affairs Officer who presented the report highlighted that although the global inflation is ebbing, food price inflation can exacerbate food insecurity and poverty. After surging for two years, global inflation eased in 2023 but remained above the 2010-2019 average.

Monetary tightening by major developed country central banks will have significant spillover effects on developing countries.

Chavula says raising interest rates and quantitative tighteningto reduce excess liquidity by developed country central banks means higher borrowing costs, which will exacerbate debt sustainability risks for developing countries.

The report says the global investment trends will remain weak.

Global investment growth is likely to remain subdued. Real gross fixed capital formation grew by an estimated 1.9 percent in 2023, down from 3.3 percent in 2022 and far below the average growth rate of 4.0 percent during the period 2011- 2019.

International trade is losing steam as a driver of growth. In 2023, global trade growth weakened significantly to an estimated 0.6 percent, a sharp decline from 5.7 percent in 2022. It is expected to recover to 2.4 percent in 2024, remaining below the pre-pandemic trend of 3.2 percent.

This slowdown, notes the report, is attributed to a slump in merchandise trade. By contrast, trade in services, particularly tourism and transport, continued to recover.

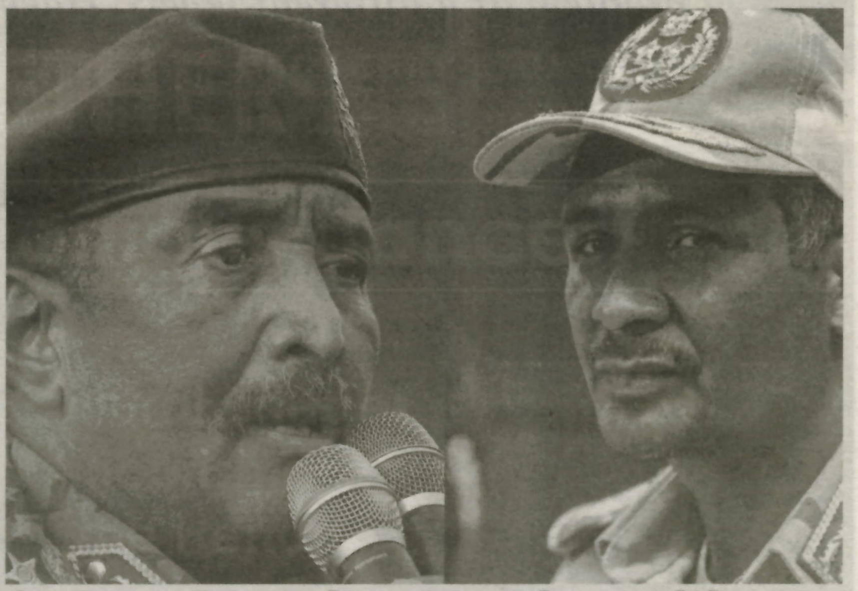
According to Chavuka, Central banks worldwide are expected to continue facing a delicate balancing act and difficult trade-offs in 2024 as they strive to manage inflation, revive growth, and ensure financial stability. Central banks in developing economies will face the additional challenges of growing balance-of payments concerns and debt sustainability risks. Central banks must navigate a delicate balance between inflation, growth and financial stability.

The report says that industrial policy, which is increasingly seen as crucial for fostering structural changes and supporting a green transition is being revived and transformed. This shift is aimed at fixing market failures and aligning innovation with broader development goals. Innovation policies are also changing, with more ambitious, systemic and strategic approaches being employed.

On meeting the SDGs by 2030, the report indicates that strengthening multilateralism will accelerate SDGs progress.

(UNECA)

News In Brief



Sudan: Council adds six entities to EU sanctions list

The Council today adopted restrictive measures against six entities, in view of the gravity of the situation in Sudan, where fighting is ongoing between the Sudanese Armed Forces (SAF) and the Rapid Support Forces (RSF) and their respective affiliated militias.

The new listings – the first within the Sudan regime - include six entities responsible for supporting activities undermining the stability and political transition of Sudan.

Among the entities listed are two companies involved in the manufacture of weapons and vehicles for the SAF (Defense Industries System and SMT Engineering); the SAF-controlled Zadna International Company for Investment Limited and three companies involved in procuring military equipment for the RSF (Al Junaid Multi Activities Co Ltd, Tradive General Trading and GSK Advance Company Ltd).

The entities listed are subject to asset freezes. The provision of funds or economic resources, directly or indirectly, to them or for their benefit is prohibited.

On 27 November 2023, the High Representative of the Union for Foreign Affairs and Security Policy issued a statement on behalf of the EU, reiterating its strong condemnation of the continuous fighting between the SAF and the RSF and their respective affiliated militias. In this statement, he also deplored the dramatic escalation of violence and the irreparable cost to human life in Darfur and throughout the country, as well as violations of International Human Rights Law and International Humanitarian Law.

The EU remains deeply concerned about the humanitarian situation in Sudan and reaffirms its steadfast support for, and solidarity with, the Sudanese people.

(Council of the EU)

Lula to visit Egypt, Ethiopia, Guyana in February

Brazilian President Luiz Inácio Lula da Silva is resuming his international schedule this year with trips to two African countries and neighboring Guyana in February.

On the African continent, the President should travel to Egypt on February 15 and 16. While there, he is expected to meet with his Egyptian counterpart Abdel Fattah al-Sissi months after receiving his support for the withdrawal of Brazilians and their families from the Gaza Strip across the border with Egypt.

On February 17 and 18, Lula will be in Addis Ababa, Ethiopian, to take part in the assembly of heads of state and government of the African Union.

Last year, the international organization, which combines 54 African nations, became a permanent member of the G20, a group that brings together the world's 19 richest economies plus the European Union. This year, Brazil chairs the G20 and will host the summit of the group's heads of state in Rio de Janeiro in November.

"Brazil needs to start repaying once and for all the historic debt we owe to the African people," he said last week during an appointment in Salvador, where he confirmed his trip to African countries.

(agenciaBrasil)

News In Brief

Countries worldwide to experience slow economic growth despite declining inflation rate: warns a UN report

The global GDP growth is projected to slow from 2.7 percent in 2023 to 2.4 percent in 2024, according to the World Economic Situation and Prospects (WESP) 2024 launched by the Economic Commission for Africa (ECA) in Addis Ababa, Ethiopia.

Growth is forecast to improve moderately to 2.7 percent in 2025 but will remain below the pre-pandemic trend growth rate of 3.0 percent.

Adam Elhiraika, Director, Macroeconomics and Governance Division of ECA said, tight financial conditions, coupled with a growing risk of geopolitical fragmentation, pose increasing risks to global trade and industrial production.

He said while the world economy avoided the worst-case scenario of a recession in 2023, a protracted period of low growth looms large. Growth prospects for many developing countries, especially vulnerable and low-income countries, have remained weak, making a full recovery of pandemic losses ever more elusive.

"The unfolding climate crisis and extreme weather events will undermine agricultural output and tourism, while geopolitical instability will continue to adversely impact several subregions in Africa, especially the Sahel and North Africa,"said Elhiraika.

The report indicates that developing countries face divergent near-term growth prospects. The economic growth in Africa he said is projected to remain weak, increasing from an average of 3.3 percent in 2023 to 3.5 percent in 2024.

On inflation, the report says that after surging for two years, global inflation eased in 2023 but remained above the 2010-2019 average. Global headline inflation fell from 8.1 percent in 2022, the highest value in almost three decades, to an estimated 5.7 percent in 2023.

HopestoneChavula, ECA Economic Affairs Officer who presented the report highlighted that although the global inflation is ebbing, food price inflation can exacerbate food insecurity and poverty. After surging for two years, global inflation eased in 2023 but remained above the 2010-2019 average.

Monetary tightening by major developed country central banks will have significant spillover effects on developing countries.

Chavula says raising interest rates and quantitative tighteningto reduce excess liquidity by developed country central banks means higher borrowing costs, which will exacerbate debt sustainability risks for developing countries.

The report says the global investment trends will remain weak.

Global investment growth is likely to remain subdued. Real gross fixed capital formation grew by an estimated 1.9 percent in 2023, down from 3.3 percent in 2022 and far below the average growth rate of 4.0 percent during the period 2011- 2019.

International trade is losing steam as a driver of growth. In 2023, global trade growth weakened significantly to an estimated 0.6 percent, a sharp decline from 5.7 percent in 2022. It is expected to recover to 2.4 percent in 2024, remaining below the pre-pandemic trend of 3.2 percent.

This slowdown, notes the report, is attributed to a slump in merchandise trade. By contrast, trade in services, particularly tourism and transport, continued to recover.

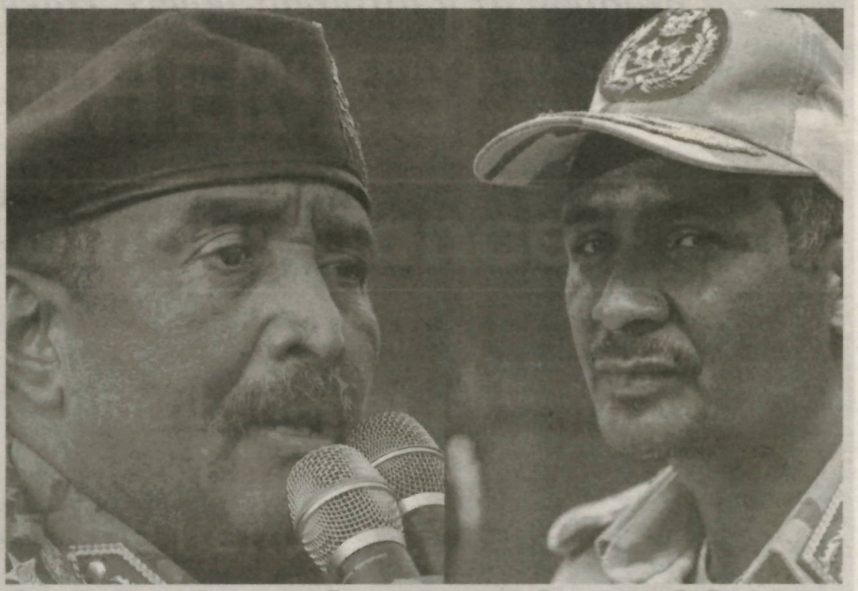
According to Chavuka, Central banks worldwide are expected to continue facing a delicate balancing act and difficult trade-offs in 2024 as they strive to manage inflation, revive growth, and ensure financial stability. Central banks in developing economies will face the additional challenges of growing balance-of payments concerns and debt sustainability risks. Central banks must navigate a delicate balance between inflation, growth and financial stability.

The report says that industrial policy, which is increasingly seen as crucial for fostering structural changes and supporting a green transition is being revived and transformed. This shift is aimed at fixing market failures and aligning innovation with broader development goals. Innovation policies are also changing, with more ambitious, systemic and strategic approaches being employed.

On meeting the SDGs by 2030, the report indicates that strengthening multilateralism will accelerate SDGs progress.

(UNECA)

News In Brief



Sudan: Council adds six entities to EU sanctions list

The Council today adopted restrictive measures against six entities, in view of the gravity of the situation in Sudan, where fighting is ongoing between the Sudanese Armed Forces (SAF) and the Rapid Support Forces (RSF) and their respective affiliated militias.

The new listings – the first within the Sudan regime - include six entities responsible for supporting activities undermining the stability and political transition of Sudan.

Among the entities listed are two companies involved in the manufacture of weapons and vehicles for the SAF (Defense Industries System and SMT Engineering); the SAF-controlled Zadna International Company for Investment Limited and three companies involved in procuring military equipment for the RSF (Al Junaid Multi Activities Co Ltd, Tradive General Trading and GSK Advance Company Ltd).

The entities listed are subject to asset freezes. The provision of funds or economic resources, directly or indirectly, to them or for their benefit is prohibited.

On 27 November 2023, the High Representative of the Union for Foreign Affairs and Security Policy issued a statement on behalf of the EU, reiterating its strong condemnation of the continuous fighting between the SAF and the RSF and their respective affiliated militias. In this statement, he also deplored the dramatic escalation of violence and the irreparable cost to human life in Darfur and throughout the country, as well as violations of International Human Rights Law and International Humanitarian Law.

The EU remains deeply concerned about the humanitarian situation in Sudan and reaffirms its steadfast support for, and solidarity with, the Sudanese people.

(Council of the EU)

Lula to visit Egypt, Ethiopia, Guyana in February

Brazilian President Luiz Inácio Lula da Silva is resuming his international schedule this year with trips to two African countries and neighboring Guyana in February.

On the African continent, the President should travel to Egypt on February 15 and 16. While there, he is expected to meet with his Egyptian counterpart Abdel Fattah al-Sissi months after receiving his support for the withdrawal of Brazilians and their families from the Gaza Strip across the border with Egypt.

On February 17 and 18, Lula will be in Addis Ababa, Ethiopian, to take part in the assembly of heads of state and government of the African Union.

Last year, the international organization, which combines 54 African nations, became a permanent member of the G20, a group that brings together the world's 19 richest economies plus the European Union. This year, Brazil chairs the G20 and will host the summit of the group's heads of state in Rio de Janeiro in November.

"Brazil needs to start repaying once and for all the historic debt we owe to the African people," he said last week during an appointment in Salvador, where he confirmed his trip to African countries.

(agenciaBrasil)