

Turkey, Japan eye joint plan on disaster management

Anadolu Agency, 06.04.2018



Deputy Prime Minister Recep Akdag on Friday said Turkey's offer for a joint action plan on disaster management was widely accepted by Japan.

Speaking to Anadolu Agency after his three-day official visit to Japan, Akdag said: "The issue of how we can use the Japanese resources more actively to construct earthquake-resistant buildings in Turkey is on our agenda." During his visit, the Turkish deputy premier met Japanese Prime Minister Shinzo Abe, a deputy prime minister and five ministers, while participating in two emergency aid exercises.

He also received information about disaster management in the country. Noting that Turkey has strong cooperation with Japan on emergency and disaster management, Akdag said he has also discussed the potential cooperation opportunities in elder care services and the construction of earthquake-resistance building in Turkey. He also noted that he discussed with the Japanese officials about conducting joint work on disaster management and humanitarian affairs issues in other countries.

Turkey's top business association supports reforms

Anadolu Agency, 05.04.2018



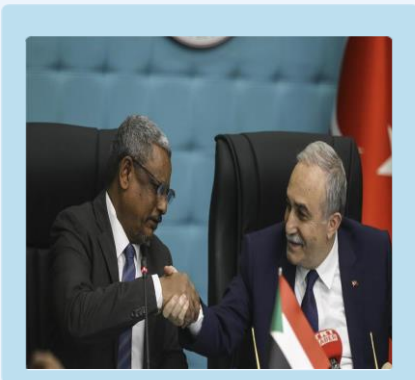
Turkish businesses fully support the reform package aimed at improving Turkey's investment environment, Erol Bilecik, chairman of the TUSIAD, said on Thursday.

Those reforms, to which TUSIAD has contributed, should continue to be implemented rapidly, Bilecik told Anadolu Agency's Finance Desk in Istanbul. "We are magnificently pleased and offer our full support," Bilecik said. He said members of TUSIAD held talks with numbers of institutions that are willing to invest in Turkey. "We will be sharing several opinions, compiled from those talks, with our politicians," Bilecik said.

A reform package of over 100 articles -- -- designed by the Coordination Council for the Improvement of the Investment Environment (YOIKK) -- to improve investment in Turkey was sent to the parliament on Jan. 30. "We will share it in the coming days," Prime Minister Binali Yildirim said at the Coordination Committee for the Improvement of the Investment Environment 2017-2018 Reforms Publicity in capital Ankara on March 28. The reforms aim to simplify the process of establishing companies, obtaining construction permits, foreign trade, conducting research and bringing in investments. Eleven ministers, relevant bureaucrats, the Union of Chambers and Commodity Exchanges of Turkey, and other private sector organizations worked together to create the reform package. Chairman Bilecik also noted that the double digit inflation rate in Turkey was the reason behind the loss of value of the Turkish lira and that the latter would stabilize should government implement a policy that curtail inflation.

Turkey aims to increase trade volume to \$2B with Sudan

Anadolu Agency, 05.04.2018



Ankara wants to increase bilateral trade volume with Sudan to \$2 billion, Turkey's Food, Agriculture and Livestock Minister Ahmet Esref Fakibaba said on Thursday.

"The bilateral trade volume between Turkey and Sudan is around \$500 million. We aim to increase it to \$2 billion in the medium term with the trade and economic partnership agreement that we have signed," Fakibaba said. Fakibaba said Sudan is a "brotherly" country and both countries can cooperate in plant production, livestock, rural development, trade, investment and mining.

"We take it as our duty to give any kind of support to Sudan," he added. Ijaimi said the current bilateral trade volume did not reflect the potential. "It is important for us to take trade volume to \$2 billion in the medium term." Late December, Turkish President Recep Tayyip Erdogan visited Khartoum and called for greater Turkish investment in Sudan.

Turkey 'in touch' with US over steel, aluminium tariffs

Hurriyet Daily News, 22.03.2018



Ankara was in touch with the U.S. over its decision to impose tariffs on steel and aluminium imports, Turkey's Economy Minister Nihat Zeybekci said on Thursday.

"Our contacts [with the U.S.] continue through writing, telephone and our embassy in the U.S. and by all other means," Zeybekci told reporters after a meeting with Sudan's Agriculture and Forests Minister Abdullatif Ahmed Mohamed Ijaimi in the capital Ankara. In March, U.S. President Donald Trump imposed a 25 percent tariff on imported steel.

The minister said the tariffs on steel and aluminium were "unacceptable" for Turkey. He said the reasons behind Washington's decision to impose tariffs on Turkey were "wrong". "We have a \$1.2 billion export in iron-steel sector and \$1.3 billion import [from the U.S.]. There is a gap here," Zeybekci said. "The U.S. claims that 'While I fulfil all kinds of obligations related to the security of the world, the other countries do not spend on defense sufficiently'. This also does not bind Turkey," he added. The economy minister said Ankara will get "positive" or "negative" results next week, but he warned that if the results were "negative", his country would respond.

Kyrgyz president to visit Turkey next week

Anadolu Agency, 06.04.2018



Kyrgyzstan's President Sooronbay Jeenbekov will pay an official visit to Turkey next week, according to a Kyrgyz official on Friday.

In a press meeting, Daniyar Sidikov, head of the Foreign Policy Department of the Kyrgyz Presidential Administration, said Jeenbekov's visit is scheduled for April 9-10. During his first official visit to Turkey, Jeenbekov will meet his Turkish counterpart Recep Tayyip Erdogan as well as Prime Minister Binali Yildirim and Parliament Speaker Ismail Kahraman. "Turkey is a good friend and a reliable partner for Kyrgyzstan," Sidikov said

She added "the visit means that Kyrgyzstan is ready to "deepen" and "expand" bilateral relations and aims "to establish a higher political dialogue." As part of the visit, the two countries will also ink a cooperation protocol in media and information, as well as agreements in agriculture, culture, sports and social security.

Saudi Arabia to create world's biggest solar power firm

Haaretz, 29.03.2018



SoftBank Group Corp's Vision Fund will invest in creating the world's biggest solar power project in Saudi Arabia, it said on Tuesday, stepping up its involvement in the kingdom and expanding beyond technology.

The project is expected to have the capacity to produce up to 200 gigawatts (GW) by 2030, SoftBank Chief Executive Masayoshi Son told reporters in New York. That would add to around 400 GW of globally installed solar power capacity and is comparable to the world's total nuclear power capacity of around 390 GW as of the end of 2016. By investing in solar power, Saudi Arabia.

The world's biggest oil exporter, can reduce the amount of crude it currently uses to generate power and increase its overseas shipments. The move illustrates the commitment by the de facto Saudi ruler, Crown Prince Mohammed bin Salman, to transform the country's economic status quo. The final investment total for the 200 GW of generation, including the solar panels, battery storage and a manufacturing facility for panels in Saudi Arabia, will eventually total around \$200 billion, Son said. The initial phase of the project, for 7.2 GW of solar capacity, will cost \$5 billion, with \$1 billion coming from SoftBank's Vision Fund and the rest from project financing, he said. Saudi Arabia's Vision 2030 reform plan, which aims to reduce the country's economic dependence on oil, was a good match for the fund's long-term vision for innovation, said Son.

"These two visions have come together to create clean, sustainable, low-cost and productive renewable energy," he said. "The Kingdom has great sunshine, great size of available land, and great engineers..." Despite being one of the world's sunniest countries, Saudi Arabia generates most of its electricity from oil-fired power plants. Saudi's entire installed power capacity is currently around 60 GW. Adding 200 GW would create enormous excess capacity that could be exported to neighbours or used by industry, although the kingdom will still require other forms of power generation for night-time back-up.

Industry estimates say around 300,000 to 800,000 barrels per day of crude oil are burnt for Saudi power generation. Exporting that oil could increase Saudi's annual oil revenues by between \$7 billion and \$20 billion, at the current price for benchmark Brent oil of almost \$70 per barrel. "Saudi Arabia is clearly preparing for a post-fossil fuel dependent economy in terms of domestic energy consumption, and this huge bet on renewables would free up a lot of domestic output of oil for exports, while probably saving domestic gas resources as well," said Peter Kiernan, lead energy analyst at the Economist Intelligence Unit in Singapore. "Up until now, progress in building solar capacity in the kingdom has been very slow, but this deal might give it the kick start it needs.

But 200 GW by 2030 though, that's another question," Kiernan said. Last May, Softbank said it raised over \$93 billion for the Vision Fund, the world's largest private equity fund with backers including Saudi Arabia's sovereign wealth fund, Apple Inc and Foxconn, formally known as Hon Hai Precision Industry. The Vision Fund has funnelled \$27.5 billion into 20 tech firms as of the end of December, transforming SoftBank from a Japanese telecoms upstart into one of the world's biggest technology investors. The Saudi investment is Softbank's second major global solar project. The company has said it will invest up to \$20 billion along with Foxconn and Bharti Enterprises in solar projects in India, which has an ambitious target to generate 100 GW of power from solar by 2022. SoftBank estimated the electrification drive could create a requirement for over 150 GW of additional power.

Russia: UK 'playing with fire' over ex-spy case

Washington Post, 06.04.2018



The UK is "playing with fire" over its charges that Moscow used a nerve agent to poison a former Russian spy on British soil, Russia's UN envoy said Thursday.

"You are playing with fire, and you will be sorry," Vassily Nebenzia told the Security Council, claiming the UK is "poisoning" Russia's relations with other countries. London accuses Moscow of orchestrating the March 4 chemical attack on a former Russian spy in the English city of Salisbury, a claim Moscow has denied. Key to the British case is the alleged use of a Soviet-era nerve agent made by Russia called Novichok.

In retaliation, the UK expelled 23 Russian diplomats following the attack. And 26 western countries expelled 140 Russians in an orchestrated reaction in late March in the biggest ever single mass expulsion across the world. Sergei Skripal, 66, and his daughter Yulia, 33, were admitted to a hospital after being found unconscious in Salisbury. Skripal was granted refuge in the UK following a 2010 spy exchange between the U.S. and Russia. Before the exchange, he was serving 13 years in prison for leaking information to British intelligence. Thursday's Security Council meeting on the attack was at Russia's request. Nebenzia claimed London lacks "enough facts or evidence" to make a thorough case against Moscow. Nebenzia said Novichok was not solely Russian, claiming it has been created by other countries as well. "It's some sort of theater of the absurd. Could you not come up with a better fake story?" he asked Britain.

In response, Karen Pierce, London's UN envoy, said Russia is seeking to "undermine the international institutions which have kept us safe since the end of the Second World War". She cited "Russia's record of conducting state-sponsored assassinations", noting "Russia views defectors as suitable targets for assassination, and indeed there are public statements from Russian leaders to that effect". "We believe that the UK's actions stand up to any scrutiny," Pierce said.

Akkuyu nuclear power plant stake sale deal to be completed in 2019

Tass, 30.03.2018



The deal on sale of the 49% stake in the Akkuyu Nuclear Power Plant in Turkey can be completed next year, Chief Executive Officer of the Russian state nuclear corporation Rosatom Alexei Likhachev told reporters on Wednesday.

"The ones desirous [to close the deal] are present, and not only in Turkey," the top manager said without detailing companies and countries involved in negotiations with Rosatom. The probability "to close the deal on the stake sale in the Akkuyu NPP" is low this year but it is likely to take place in the next year, Likhachev added.

French utility EDF to invest 8 billion euros in power storage by 2035

Economic Times, 30.03.2018



French state-owned utility EDF plans to invest 8 billion euros (\$9.94 billion) between 2018 and 2035 to become a European market leader in electricity storage, the company said.

EDF said in a statement it will develop 10 gigawatts of additional storage capacity worldwide by 2035, in addition to the 5 GW it already operates. EDF, which already operates pumped storage hydropower plants and industrial-size power storage batteries, added that it aimed to become a French and European market leader, with an offer of storage batteries for clients in the retail power sector.

It also aims to develop a portfolio of about 1.2 million off-grid clients in Africa by 2035 through local partnerships. "With storage we can smooth out the intermittence of renewable energy and guarantee the performance and balance of the grids," EDF chief executive Jean-Bernard Levy told reporters. EDF's investment in power storage will be focused on boosting the resilience of the power system, on individual storage for retail clients with solar panels, and on off-grid solar plus storage systems in Africa. Working with local partners, EDF aims to develop a portfolio of 1.2 million off-grid clients in Africa by 2035. Asked for a detailed breakdown on how and when EDF will spread the planned eight billion euro investment, Levy said the company did not yet have a detailed plan.

Levy said the company will double its research and development into power storage to 70 million euros for the 2018-2020 period. In the coming two years, the group's 'EDF New Business' unit also plans to invest some 15 million euros - about a third of its investments - in projects and startups linked to power storage and flexibility. EDF's storage plan is the second major investment project in the energy transition towards more renewables. In December, EDF said it would invest about 25 billion euros to build 30 gigawatt (GW) of solar capacity from 2020 to 2035, mainly funded by equity partners, project financing and loans. (\$1 = 0.8046 euros)

Global food prices on rise in March: UN body

Anadolu Agency, 05.04.2018



Global food prices continued to increase for the second consecutive month in March, according to the UN Food and Agriculture Organization (FAO) on Thursday.

The food price index averaged 172.8 points in March, up 1.1 percent from February, the FAO said in a statement. The index also rose 0.7 percent annually in the month, the statement read. The FAO Food Price Index is a trade-weighted index that tracks international market prices of five major food commodity groups. "As in February, the month-on-month increase in March was driven primarily"

"It is made by stronger international prices of cereals and dairy whereas the prices of sugar and vegetable oils fell further and those of meat rose slightly," it said. The dairy price index surged 3.3 percent or 6.2 points monthly in March as cheese and milk powder prices went up due to lower than anticipated milk production in New Zealand and strong global import demand, it said. The cereal price index rose by 2.7 percent or 4.3 points, posting a third consecutive notable monthly rise, due to unfavorable weather conditions in the U.S and Europe. The meat price index, on the other hand, remained stable in March compared to the previous month. "At this level, the index is 3 percent above the corresponding month last year but still almost 20 percent below the peak reached in August 2014," it added.

FAO said the vegetable oil price index slightly decreased from February to reach 156.8 points in March. "Modest price drops for soy, rape and sunflower oils were largely offset by higher prices of palm oil -- the most widely traded vegetable oil in the world," the statement read. The sugar price index dropped 3.4 percent month-on-month in March due to large export availabilities.

Former S. African president in court over corruption

Anadolu Agency, 06.04.2018



Former South African President Jacob Zuma appeared in the Durban High court on Friday to answer several corruption and fraud charges in connection with a \$2.5-billion arms deal procurement in the late 1990s.

This was his first court appearance since the NPA decided to reinstate charges against him last month. The case has been postponed to June 8 for hearing. Former National Prosecution Authority head Mokotedi Mpshe had withdrawn 783 corruption charges against Zuma in 2009, just weeks before he was elected president.

Mpshe said he was withdrawing the charges against Zuma after phone recordings between senior officials of former President Thabo Mbeki emerged, showing they had manipulated Zuma's case for political ends. Dressed in a dark suit and red tie, Zuma received a warm welcome from supporters when he arrived in court. Some sang his name "Zuma, Zuma!" and he turned to wave at them. He kept a smile on his face as he waited for the judge to arrive. Outside the court, there were thousands of his supporters. He is expected to address them later. The former president faces 16 charges of fraud, corruption and money laundering related to 783 payments he allegedly received from his former financial advisor, Shabir Shaik, who was jailed for corruption.

Zuma, 75, who came to power in South Africa in 2009, was forced to resign by his African National Congress party this year in February. His tenure in office was reportedly marred by corruption, but Zuma denies any wrongdoing.

China 'not afraid' of trade war: official

Reuters, 06.04.2018



Beijing will fight take "comprehensive countermeasures" if Washington continues with "unilateral and protectionist policies" on trade, a Chinese official said on Friday.

"On Sino-U.S. trade, China has made its position very clear. We do not want a trade war, but we are not afraid of such a war," Gao Feng, spokesman for Chinese Ministry of Commerce, was quoted as saying by Xinhua news agency. Gao's remarks came after President Donald Trump on Thursday ordered the U.S. Trade Representative (USTR) to consider imposing \$100 billion in additional tariffs on Chinese products.

According to Xinhua, Gao said China is willing to pay any price to "protect the interest of the country and the people." "Concerning the U.S. statement, China will not only listen to the words but also watch the deeds", the spokesman added. China will continue reforms and promote trade and investment liberalization, he said.

There's a better strategy than tariffs for countering Beijing's tactics, former ambassador says

CNBC, 06.04.2018



Instead of relying on tariffs, the U.S. should partner with its allies to restrict Chinese investment in certain sectors, until those same sectors are opened up to Western investment in China, the former U.S. ambassador to China said.

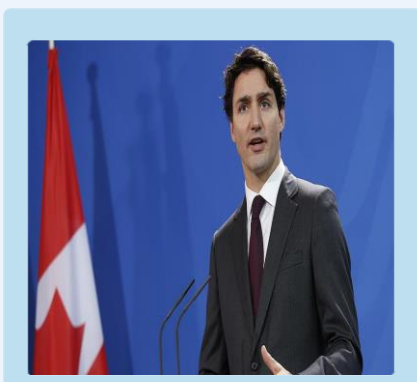
The fact that Chinese investments worldwide are increasing gives the U.S. some leverage, according to Gary Locke, who was then-President Barack Obama's top diplomat in Beijing for more than two years. The U.S., he told CNBC, can push for access to Beijing's market by threatening to close the global investment opportunities China now enjoys.

"I really believe the United States has to partner with our allies and other countries that have similar grievances toward China and basically say Chinese can't invest in sectors of the U.S. economy or foreign economy unless those same sectors are open to foreign investment by Americans or the EU countries or other Western countries," Locke said. Washington has legitimate concerns and grievances against China's trade policy, which includes the theft of American companies' intellectual property, the requirement of joint ventures for American companies looking to do business there, as well as many sectors of the Chinese economy being off-limits to foreign investment, Locke explained. We really need to have reciprocity and we really need to join together and take a united stance. That will get the attention of China because China, even if they can't invest in the United States, they are going to want to invest in Canada, or Germany, or Great Britain, or other parts of the EU. And so if all these other countries start to restrict Chinese investment, the Chinese will certainly get the message," he told CNBC's "Squawk Box."

On the other hand, tariffs could backfire and "get out of control," resulting in Beijing tightening its economy instead of opening it up, Locke said. "It's not really the type of action that we need to correct the Chinese abuses that are rampant. So I really fear that in the end, it's not going to address the underlying problem, and number two, American consumers and American jobs will be lost," the former ambassador said. Furthermore, the White House's tough stance could push Chinese investment away from the U.S. commodities market, as China could choose to purchase from other countries instead. "The problem is the more [President Donald Trump] escalates this, the Chinese are going to close ranks. They are going to show that they are tough. They can't be seen as being weak and being bullied by an American president," Locke said, adding that would end up hurting U.S. companies and consumers even more.

New hope for NAFTA deal as high-level talks begin

Stratfor, 06.04.2018



The eighth round of North American Free Trade Agreement (NAFTA) negotiations have been suspended and high-level ministerial representatives will meet instead to push for a deal, it was announced Thursday.

Canadian Foreign Minister Chrystia Freeland left for Washington earlier in the day to meet with her American and Mexican counterparts. Canadian Prime Minister Justin Trudeau said he is optimistic that a deal can be reached sooner rather than later. "We are happy to engage as much as they want, to move forward towards a deal," Trudeau said.

Freeland, U.S. Trade Representative Robert Lighthizer and Mexican Economy Secretary Ildefonso Guajardo Villarreal along with their top negotiators will try to get an agreement-in-principle on NAFTA. U.S. President Donald Trump has said he would like to announce a tentative agreement at the Summit of the Americas in Peru from April 13-14. While it was never officially announced, the eighth round of negotiations were to have taken place April 8-18 in Washington. But a representative from Lighthizer's office said high-level talks have been ongoing since the previous round of negotiations ended last month. "The NAFTA countries have been negotiating continuously on ministerial and official levels since the last formal negotiating round ended in March," said Emily Davis. "Officials are continuing to meet this week as the renegotiation of NAFTA moves forward."

Optimism has bloomed since the Americans dropped a controversial demand that at least 50 percent of components of vehicles entering the U.S. for sale be made in America. "Hopefully, there will be some good news coming, but we know (in) these negotiations there's good moments and there's slower moments," Trudeau said. "But right now, we're having a very productive moment of engaging with the United States and with Mexico."

Guggenheim investment chief sees a recession and a 40% plunge in stocks ahead

CNBC, 06.04.2018



Guggenheim's head of investing sees a tough road ahead for the market and economy, with a sharp recession and a 40 percent decline in stocks looming.

Scott Miner, who warned clients in a recent note that the market is on a "collision course with disaster," expects the worst of the damage to start in late 2019 and into 2020. Along with the decline in equities, a rise in corporate bond defaults is likely as the Federal Reserve raises interest rates and companies struggle to pay off record debt levels. "For the next year ... equities will probably continue to go up as we have all these stock buybacks and free cash flow,"

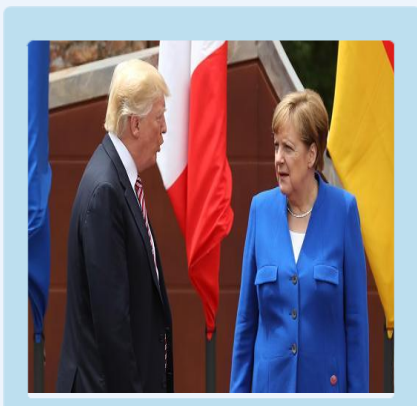
Miner told CNBC's Brian Sullivan in a "Worldwide Exchange" interview. "Ultimately, when the chickens come home to roost and we have a recession, we're going to see a lot of pressure on equities especially as defaults rise, and I think once we reach a peak that we'll probably see a 40 percent retracement in equities." One the main problems is that Congress and President Donald Trump have pushed through aggressive fiscal policies at a time when the Fed is looking to control growth with higher interest rates and less accommodative monetary policy. Corporate debt currently stands at a record \$8.83 trillion, according to Securities Industry and Financial Markets Association data. Higher rates will make it harder for companies to refinance and will put pressure on them once the stimulative effects of tax cuts wear off, Miner said.

Once short-term rates hit 3 percent, that will be enough to drive up defaults and cause a recession, he added. "As interest rates keep ratcheting higher, with record levels of corporate debt it's going to be harder and harder to service," Miner said. "At some point, as the economy starts to mature and as cash flows start to stabilize and decline, it's going to be difficult for everybody to pay this interest." "Defaults are going to be concentrated in corporate America, where in the past downturn they were basically focused in areas of consumer activity," he added.

From there, Miner figures the Fed will get involved, going back to the quantitative easing policies that helped pull the economy out of the last recession and pushed a surge in stock market prices but also coincided with lackluster economic growth. "All that will do is defer the problem into the future and allow excesses to continue to build and the collision course that we're on will just come later and probably be worse," he said.

Trump is right about trade and Merkel needs to do something about it, former German state secretary says

CNBC, 06.04.2018



Germany should fix the current trade tensions sparked by U.S. President Donald Trump, a former German state secretary told CNBC Friday, as he expressed sympathy with the U.S.' position in an escalating war of words with China over trade practices.

Flassbeck's comments come amid rising fears of an all-out trade war between the U.S. and China. On Thursday, Trump instructed his trade team to consider \$100 billion in additional tariffs on Chinese products — raising fears of a continued escalation against global free trade. This would be the second set of tariffs imposed on China in a couple of weeks.

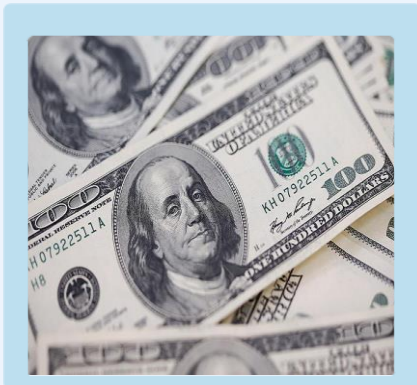
In early March, Trump started by implementing tariffs on aluminum and steel imports — measures that did not represent a big impact for China, but did for countries like Japan and potentially Europe too. Germany has also faced international criticism for its trade surplus, which means its exports outweigh its imports, as some see it as unfair, imbalanced and a cause for protectionism elsewhere.

However, Germany saw the first decline in its trade surplus since 2009 last year. Data from the Federal Statistics Office showed that trade surplus dropped to \$300.9 billion in 2017 from the record high seen in the previous year at \$304.44 billion. The euro zone's largest economy still had room for improvement, Flassbeck told CNBC's Steve Sedgwick on the sidelines of the European House Ambrosetti Forum in Italy. "Germany is really out there as the main culprit, so to say, because Germany has the highest surplus, much higher than China in terms of GDP... Germany has to do something against it, that's absolutely clear," Flassbeck said.

Last month, Chancellor Angela Merkel said that Germany's trade surplus has been narrowing due to higher domestic demand. She added that Germany will continue to work towards that trend, but there are factors, such as oil prices and currency levels, that it cannot control. "I very much hope that (Germany) understand(s) what's at stake and that they start doing something. If Madame Merkel would go out and say to Trump 'well we're acting on it...', not just talking about it at the G20 in the last 10 years,...then I think she could take off very much of the tension that there is out there," the former state secretary said. However, there are two stumbling blocks that Merkel could have to overcome to get the country spending more and reducing its trade surplus: convincing her own Christian Democratic Union (CDU) party and convincing German industry. "The social democrats (Merkel's coalition partners) could be convinced, but convincing her own party is a problem," Flassbeck said in reference to the conservative budget stance that Merkel's CDU party has traditionally had. And convincing the German industry would be a "big problem" too, he added, "because the German industry still thinks that this is the natural thing, that Germany has a surplus of 8, 9 percent, which is not."

Trump seeks another \$100B in tariffs against China

Reuters, 06.04.2018



President Donald Trump on Thursday ordered the U.S. Trade Representative (USTR) to consider imposing \$100 billion in additional tariffs on Chinese products in a move likely to add fuel to an already heated trade dispute.

"In light of China's unfair retaliation, I have instructed the USTR to consider whether \$100 billion of additional tariffs would be appropriate under section 301 and, if so, to identify the products upon which to impose such tariffs," Trump said in a statement issued by the White House. China filed a complaint earlier at the WTO claiming that the tariffs.

Washington plans to implement would be in excess of the U.S.' bound rates and are inconsistent with some WTO articles on trade and tariffs. The U.S. Trade Representative announced Tuesday it is planning to impose 25 percent tariffs on 1,300 Chinese goods worth \$50 billion. Beijing took retaliatory steps Wednesday and said it would impose 25 percent tariffs on 106 U.S. goods worth \$50 billion. Last month, the Trump administration imposed tariffs of 25 percent on steel and 10 percent on aluminum imports. In response, China said earlier this month it would impose tariffs of 15-25 percent on \$3 billion worth of U.S. products. Trump has long argued that trade relations with China are unfair and that Chinese trade practices are contributing to the growing U.S. trade deficit. The U.S.' monthly trade deficit grew to \$57.6 billion in February, up 1.6 percent from \$56.7 billion in January, according to data released Thursday by the Commerce Department. This marked the highest monthly trade deficit for the country since October 2008.

Trump budget director Mulvaney: 'MAGAnomics' is working and defying critics

Washington Post, 28.03.2018



Last week, calculations of the country's economic growth for the fourth quarter of 2017 were revised to show a growth rate of 2.9 percent. That revision didn't get nearly as much attention as when the initial read of that quarter's growth came in below expectations at 2.6 percent.

While we would all like to see faster growth, it is quite an accomplishment that over the first full three quarters of the Trump administration the economy has grown at an annual rate of nearly 3.1 percent. While many are predicting GDP growth for the first three months of this year may not be as high, we should weigh that possibility against this certainty:

The Left, and many in the media, will pounce on any report to throw doubt on not only the health of the American economy, but on the efficacy of President Donald Trump's MAGAnomics (Make America Great Again) agenda of tax reform, deregulation, trade renegotiation and domestic energy independence. There will be headlines bellowing "slower growth" and a "stalling economy." Cable news talking heads will breathlessly, and endlessly, opine as to the supposed failure of tax reform and the true health of the economy, all the while hinting (and secretly hoping) that things will soon be much worse.

When they do — and believe me, they will — I encourage you to keep a few things in mind: Foremost, confidence in the American economy among businesses and consumers is near historic highs. That means businesses, both small and large, and just as importantly, ordinary Americans, have more hope in the future of their jobs, their opportunities, and their own savings accounts.

Secondly, job openings are at a record high and the unemployment rate at 4.1 percent is at its lowest level since the turn of the century. People have stopped worrying about jobs and instead are able to focus on building their careers. A job is important, but a career is a life. And the creativity and productivity a career provides is what makes work enjoyable. As of today, Americans are much more comfortable taking more steps to build their lives. Lastly, it's easy to see that most of the left has been wrong about the economy for quite some time now (some of us think they've been wrong since Karl Marx's "Das Kapital" was originally published in 1867.) I certainly remember what they said about our projections for 3 percent GDP. They mocked: "impossible." They criticized: "There is nothing in policy that would raise the growth rate." They laughed: "Assumptions are assumptions, but assuming 3 percent growth is just pie in the sky."

But even with a slow first quarter, things are looking up: the average projected growth rate for the first quarter among four prominent real-time GDP trackers is 2.2 percent — a full percentage point higher than the same quarter last year. That means the economy will have grown by 2.8 percent during the first four full quarters of the Trump administration. That's dramatically higher than the 1.9 percent the Obama administration told us to expect on their way out the door.

And dramatically higher than the administration even predicted. In our first budget we forecast economic growth would average 2.3 percent over the course of 2017. We achieved an average of 2.6 percent. With the president's tax cuts just beginning to kick in, we are well on our way to achieving the 3 percent growth we projected in our most recent budget. After you've been in Washington long enough, you start to sense an eerie feel for the place. One of the biggest undercurrents is that things never really change that much. But under President Trump and his MAGAnomics agenda, we've been able to restore the fundamental dynamism of the American economy. People are believing in the system again, business owners are no longer afraid of looming red tape, and families are beginning to see new opportunities to invest in their futures.

People, quite simply, are better off than they were the day before the 2016 election. Yes, some of those people work on Wall Street. But many, many more work in factories in Ohio, in construction in Florida, and in small businesses in Wisconsin. MAGAnomics is a simple formula, you just have to believe in capitalism and work and our people. You have to believe in America. And in Americans. This administration certainly does.

A rising dollar is among the 'biggest threats' to the global economy

CNBC, 05.04.2018



Global economic growth could soon be derailed by a bounce in the U.S. dollar, a strategist told CNBC Thursday.

A trade showdown between the U.S. and China is widely expected to be detrimental to global economic growth, while elevated tensions over the standoff between the world's biggest economies has also dulled the dollar's appeal. The U.S. currency has recorded five consecutive quarters of losses, which includes the last quarter ending March 31. President Donald Trump's top economic advisor Larry Kudlow has since sought to ease concerns by saying the U.S. administration is in "negotiation" with China.



This helped stir a dramatic comeback in U.S. equities and prompted the dollar to rebound. "There was a trade war ... It took place last year and America won it because it effectively imposed 10 percent tariffs on China and 12 percent on the rest of the world and 15 percent on Europe by depreciating the dollar," Paul Gambles, managing partner at Thailand-based advisory firm MBMG Group, told CNBC's "Squawk Box Europe" on Thursday. However, he argued the dollar has since showed signs of "forming a bottom." The dollar Index, the greenback versus a basket of currencies, is up over 1 percent since the end of January with most of its slide happening before that date.

"I think the key point is the American economy and actually the global economy was predicated on the dollar continuing to fall ... So actually even a 1 or 2 percent appreciation is quite dangerous," he said, before adding that continued dollar strength is "probably one of the biggest threats" to worldwide economic growth. Last month, Kudlow said he believed a good economy policy included a "sound (and) stable dollar." His comments were largely in keeping with previous U.S. administrations, who have traditionally been proponents of a strong greenback.

Nonetheless, at the start of the year, Treasury Secretary Steven Mnuchin had suggested dollar weakness was "not a concern of mine" only to backtrack a day later and reiterate that a strong "long-term dollar" is in the country's best interest. Trump hinted before his inauguration that he preferred a weaker dollar. Meanwhile, an ongoing trade dispute between Washington and Beijing has fueled market fears of a full-blown trade war. This, in turn, could threaten to derail global economic growth. Trump had unveiled a list of Chinese imports he aimed to target on Tuesday, as part of a crackdown on the Asian giant's trade practice. Beijing responded with additional charges on 106 U.S. products less than 24 hours later, stoking concerns of a tit-for-tat trade war. The White House has since sought to push back on the notion a trade war could soon breakout, aiding dramatic recovery for U.S. stocks in the previous session.



Announcements & Reports

► *Renewable Auction Design in Theory and Practice: Lessons from the Experiences of Brazil and Mexico*

Source : OIES

Weblink : <https://www.oxfordenergy.org/wpcms/wp-content/uploads/2018/04/Renewable-Auction-Design-in-Theory-and-Practice-Lessons-from-the-Experiences-of-Brazil-and-Mexico-EL-28.pdf>

► *Putin and Russia in 2018–24: What Next?*

Source : Chantom House

Weblink : <https://www.chathamhouse.org/sites/files/chathamhouse/publications/research/2018-03-15-putin-russia-wood-final.pdf>

Upcoming Events

► *Growth in a Multilateral World: The Role of Inclusive Trade and Quality Investment*

Date : 4 April 2018

Place : London

Website : <https://www.chathamhouse.org/event/growth-multilateral-world-role-inclusive-trade-and-quality-investment>

► *Can Old Economics Help Solve Modern Economic Problems?*

Date : 4 April 2018

Place : London

Website : <https://www.chathamhouse.org/event/can-old-economics-help-solve-modern-economic-problems>

► *The International Court of Justice and Africa*

Date : 5 April 2018

Place : London

Website : <https://www.chathamhouse.org/event/international-court-justice-and-africa>

► *South Africa's Political Economy Under New Leadership*

Date : 9 April 2018

Place : London

Website : <https://www.chathamhouse.org/event/south-africa-s-political-economy-under-new-leadership>



► *Egypt in 2018: Elections, Divisions and Suppression*

Date : 9 April 2018
Place : London
Website : <https://www.chathamhouse.org/event/egypt-2018-elections-divisions-and-suppression>

► *Economic Inclusion and Sustainable Growth: New Perspectives from the Gulf*

Date : 9 April 2018
Place : London
Website : <https://www.chathamhouse.org/event/economic-inclusion-and-sustainable-growth-new-perspectives-gulf>

► *Threats and Opportunities: Electricity Utilities in the Middle East*

Date : 12 April 2018
Place : London
Website : <https://www.chathamhouse.org/event/threats-and-opportunities-electricity-utilities-middle-east>

► *Ukraine's Corruption Battle: Is the Justice System Fit for Purpose?*

Date : 12 April 2018
Place : London
Website : <https://www.chathamhouse.org/event/ukraine-s-corruption-battle-justice-system-fit-purpose>

► *Looking Ahead to 2022: India's Global Vision*

Date : 12 April 2018
Place : London
Website : <https://www.chathamhouse.org/event/looking-ahead-2022-india-s-global-vision>