



Thursday, October 7, 2021

Global tax deal drops “at least” from proposed minimum of 15%

An updated draft of a global corporate tax overhaul has dropped from a proposed minimum rate of “at least 15%”, clearing a major hurdle for Ireland as negotiations enter a final stretch, sources have said. Some 140 countries are to finalise the first major overhaul in a generation of the rules for taxing multi-nationals so the deal can be endorsed by the G20. (www.asaaseradio.com 06/10/21)

Global airline industry to cut losses in 2022

The global airline industry is expected to lose close to US\$12bn next year, cutting its losses from this year by 78% as carriers recover from the Covid-19 crisis, the International Air Transport Association (IATA) has said. It said industry losses in 2021 will be worse than originally thought, totalling US\$51.8bn. (www.asaaseradio.com 06/10/21)

CEO confidence in the economy nears pre-pandemic levels

The CEOs of the world’s largest businesses are optimistic about the outlook despite Covid-19 Delta variant slowing down a ‘return to normal’. Their confidence in both the global and local economy has returned to levels not seen since the start of the pandemic. The 2021 Global survey draws on the perspectives of 50 CEOs across 10 industries and their perspective is aligned to the global average of 87%. (www.iol.co.za 06/10/21)

ECB said to study new bond-buying plan

The ECB is studying a new bond-buying programme to prevent any market turmoil when emergency purchases get phased out next year. The plan replaces the existing crisis tool and complement open-ended quantitative-easing scheme that’s currently acquiring €20bn (\$23.1bn) in debt every month. (www.bloomberg.com 07/10/21)

US private sector job growth exceeds estimates in Sept

Employment in the US private sector increased by more than expected in Sept. a report shows. It said private sector employment jumped by 568,000 jobs in Sept. after rising by 340,000 jobs in Aug. Economists had expected private sector employment to climb by 428,000 jobs compared to the addition of 374,000 jobs originally reported for the previous month. (www.rttnews.com 06/10/21)

Changing China: How Xi's 'common prosperity' may impact the world

China says its policies aimed at narrowing the widening wealth gap are precisely what it needs at this moment of its economic trajectory but critics say it comes with even greater control of how business and society will be governed. And while this "common prosperity" drive is squarely focused on people inside the country it has the potential to have huge repercussions for the rest of the world. (www.bbc.com 07/10/21)

UK gas prices fall from record high after Russia steps in

UK wholesale gas prices hit a record high before falling after Russia said it was boosting supplies to Europe. Russia President Vladimir Putin appeared to calm the market after gas prices had risen by 37% in 24 hours to trade at 400p per therm. (www.bbc.com 06/10/21)

South Korea inflation slows to 2.5% on year in Sept

Overall consumer prices in South Korea were up 2.5% on year in Sept, Statistics Korea said on Wednesday. That was down from 2.6% on year in Aug. although it beat forecasts for 2.25%. Core Consumer Price Inflation (CPI), which excludes volatile food prices, rose 1.5%, accelerating from 1.3% in the previous month. (www.rttnews.com 06/10/21)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCY	BUYING		SELLING	
+USD/GBP	1.3566	(1.3631)	1.3567	(1.3632)
+USD/EUR	1.1543	(1.1603)	1.1543	(1.1603)
*GHS/USD	5.8649	(5.8644)	5.8707	(5.8702)
*GHS/GBP	7.9563	(7.9937)	8.9648	(8.0023)
*GHS/EUR	6.7696	(6.8043)	6.7763	(6.8110)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 07/10/21 (Rates for 06/10/21 in brackets)

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Indian central bank may signal stimulus pullback

India's central bank is poised to leave its key interest rate unchanged for an eight straight meeting to support economic growth, while likely signalling readiness to unwind some pandemic-era stimulus to tackle inflation concerns. All 30 economists surveyed by Bloomberg as of Wednesday expect the six-member MPC to leave the repurchase rate at 4% on Friday. (www.bloomberg.com 06/10/21)

Austria trade balance swung to deficit in July

Austria's trade balance swung to deficit in July, as exports and imports rose, Statistics Austria has said. The trade balance registered a deficit of €469.902m in July versus a surplus of €450.649m in the same month last year. Exports grew 10.4% yearly in July and imports increased 18.3%. For the Jan. to July period, the trade deficit was €5.862bn. (www.rttnews.com 06/10/21)

UAE non-oil private sector growth slowed in Sept

The UAE non-oil private sector grew at a softer pace in Sept., survey results from IHS Markit showed on Tuesday. The Purchasing Managers' Index fell to 53.3 in Sept. from 53.8 in Aug. A score above 50 indicates expansion. New orders increased in Sept. and export orders expanded. Purchasing activity increased for the third month in a row in Sept. and suppliers' delivery time lengthened. (www.rttnews.com 05/10/21)

RBNZ begins monetary tightening with 25bp hike

The Reserve Bank of New Zealand's Monetary Policy Committee increased interest rates by 25 basis points to 0.5% on Oct. 6, to contain inflation while supporting employment. In a statement, the MPC said, any future increases in the official cash rate would be contingent on the medium-term outlook for inflation and employment. As the Covid-19 pandemic struck, the bank cut interest rates by 75bp from 1% to 0.25%. (www.centralbanking.com 06/10/21)

Oil hits multi-year high on OPEC+ restraint amid global energy crunch

Oil hit a multi-year high on Wednesday above \$83 a barrel, supported by OPEC+'s refusal to ramp up production more rapidly against a backdrop of concern about tight energy supply globally. Brent crude rose as high as \$83.47, the highest since Oct. 2018, and at 11.15 GMT was down 40 cents, or 0.5%, at \$82.16. US crude climbed to \$79.78, the highest since Nov. 2014, and was later down 35 cents at \$78.58. (www.reuters.com 06/10/21)

Gold price to 'revisit its peak' soon – Bloomberg Intelligence

After reaching new all-time highs over a year ago, gold is bound to climb back to its peak soon, said Bloomberg Intelligence in its Oct price outlook. "It's only been about a year since gold's last peak, and we believe it should be a relatively short matter of time to revisit," Bloomberg Intelligence senior commodity strategist Mike McGlone has said. (www.ghanaweb.com 06/10/21)

Sub-Saharan Africa GDP to grow 3.3% this year, 3.5% in 2022 – World Bank

Sub-Saharan Africa's economy is expected to grow by 3.3% this year and 3.5% in 2022, buoyed by rising commodity prices, the lifting of some anti-coronavirus restrictions and a pick-up in global trade, the World Bank has said. It said sub-Saharan growth would rise to 3.8% in 2023 and could turn out to be higher at 5.1% in 2022 and 5.4% a year later depending on Covid-19 vaccinations roll-out, while a slower inoculation rate would reduce growth projections. (www.reuters.com 06/10/21)

Growth in SA is projected to rebound from -6.4% to 4.6% –World Bank

The World Bank has revised South Africa's growth forecast for 2021 as GDP would be supported by a favourable global environment and base effects. In its biannual Africa Pulse report, the World Bank said growth in South Africa was projected to rebound from -6.4% in 2020 to 4.6% in 2021. (www.iol.co.za 06/10/21)

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