



Wednesday, 25<sup>th</sup> May 2022

## WEF annual meeting focuses on 4 challenges

The annual meeting 2022 of the World Economic Forum (WEF) officially kicked off in the Swiss town of Davos on Monday, focusing on four major challenges: geopolitical risks, pandemics, climate change, and global economic risks, to tackle global challenges and shape a more sustainable and inclusive future. ([www.xinhuanet.com](http://www.xinhuanet.com) 24/05/22)

## Rising global food protectionism risks worsening inflation woes

Food protectionism is on the rise in the developing world as governments try to safeguard local supplies, and the effects are threatening to spill over into richer economies. Countries are restricting exports to cope with high prices that have been exacerbated by the war in Ukraine. Malaysia just announced a ban on chicken exports, causing consternation in Singapore, which gets a third of its supplies from there. ([www.bloomberg.com](http://www.bloomberg.com) 24/05/22)

## Crypto markets may pose risks to wider financial stability, ECB warns

Cryptocurrencies will pose a risk to financial stability if the emerging sector maintains its rapid growth of the last two years and financial firms deepen their involvement, the European Central Bank (ECB) said on Tuesday. The crypto sector hit a peak of \$2.9tr last Nov. up from less than \$300bn at the start of 2020. ([www.reuters.com](http://www.reuters.com) 24/05/22)

## Eurozone private sector expands despite Ukraine war, high cost of living

Euro area private sector expanded at a stronger pace in May, led by the services sector, despite the war in Ukraine, supply constraints and rising cost of living, flash survey results from S&P Global shows. The composite output index dropped to 54.9 in May from 55.8 in April. The reading was forecast to fall moderately to 55.3. ([www.rttnews.com](http://www.rttnews.com) 24/05/22)

## Survey expects lower growth, higher inflation in US

Analysts have projected that the US economy will face slower growth and higher inflation at year-end, said the National Association for Business Economics (NABE). The median forecast for inflation-adjusted GDP of this year's fourth quarter is a 1.8% increase from the same period of 2021, compared with a median projection of 2.9% in Feb; survey showed. ([www.xinhuanet.com](http://www.xinhuanet.com) 24/05/22)

## China pledges greater credit support to stabilize economy

Chinese authorities have pledged to increase credit issuance and enhance financial support for key businesses and fields. Strengthened financial support will be given for micro, small and medium-sized enterprises, green development, scientific and technological innovation, energy supply, water conservancy and infrastructure among others, said the Bank of China ([www.xinhuanet.com](http://www.xinhuanet.com) 24/05/22)

## UK budget deficit narrowed in April

The UK budget deficit narrowed from last year in April, but the shortfall was the fourth-highest on record, the Office for National Statistics said on Tuesday. Public sector net borrowing, excluding banks, decreased by £5.6bn to £18.6bn in April. Borrowing remained below the estimate of the Office for Budget Responsibility by £0.5bn. ([www.rttnews.com](http://www.rttnews.com) 24/05/22)

## BoE's Bailey hits back at monetary policy critics

Bank of England (BoE) Governor, Andrew Bailey has dismissed criticism that the central bank was too slow in tackling rising demand, in remarks on May 23. Bailey said the UK was facing a "very big negative impact" on real incomes, which was likely to weigh heavily on demand in the months ahead. ([www.centralbanking.com](http://www.centralbanking.com) 24/05/22)

### EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.2525	(1.2574)	1.2526	(1.2575)
+USD/EUR	1.0727	(1.0674)	1.0728	(1.0674)
*GHS/USD	7.1317	(7.1297)	7.1389	(7.1369)
*GHS/GBP	8.9325	(8.9649)	8.9421	(8.9746)
*GHS/EUR	7.6503	(7.6096)	7.6579	(7.6179)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 25/05/22 (Rates for 24/05/22 in brackets)

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### **German inflation expected to reach 7% in 2022**

Germany's 2022 inflation rate will more than double from last year's 3.1% as already high energy and food prices are pushed up by the war in Ukraine, the country's Chambers of Industry and Commerce has said. Germany's economy ministry said in April, it saw an inflation rate of 6.1% in 2022 and 2.8% next year, citing the effects of energy. ([www.reuters.com](http://www.reuters.com) 24/05/22)

### **French economic activity slows as morale weakens**

France's economic activity slowed in May as manufacturing morale weakened amid falling demand and rising inflationary pressures, while services continued to underpin the economy after restrictions linked to the Covid-19 pandemic were relaxed. ([www.rttnews.com](http://www.rttnews.com) 24/05/22)

### **RBA's approach to QT does not involve selling bonds – Kent**

The Reserve Bank of Australia will implement a gradual quantitative tightening that does not involve selling bonds, explained Assistant Governor Christopher Kent in a speech on May 23. In early May, the central bank increased it by 25 basis points to 0.35%. ([www.centralbanking.com](http://www.centralbanking.com) 24/05/22)

### **Ukraine's banking sector increases losses as war rages**

Ukraine's banking system posted a net loss of €7.4bn (\$253m) in Jan-April, a rise from €0.16bn in Jan-March, as Russia pressed on with its military offensive, central bank data shows. In April, banks had to transfer an additional €11.2bn of their earnings to reserves to cover possible future losses linked to the war. ([www.reuters.com](http://www.reuters.com) 24/05/22)

### **Finland jobless rate falls in April**

Finland's jobless rate declined sharply and employment increased in April, figures from Statistics Finland shows. The unemployment rate trend for the 15 to 74 age group declined to 6.2% in April from 8.0% in the same month last year. In March, the unemployment rate was 6.4%. ([www.rttnews.com](http://www.rttnews.com) 24/05/22)

### **Oil prices slide on demand concerns**

Oil price fell on Tuesday amid concerns that a possible recession and China's COVID-19 curbs will hurt demand. Benchmark Brent crude futures slipped 0.4% to \$110.31 a barrel in European trade, while US West Texas Intermediate crude futures were down 0.3% at \$109.91. It is feared that aggressive monetary policy tightening by central banks to control inflation could tip the global economy into a recession. ([www.rttnews.com](http://www.rttnews.com) 24/05/22)

### **AfDB approves \$1.5 bn to strengthen food security**

The Board of the African Development Bank Group (AfDB) has approved a \$1.5bn facility to help African countries avert the looming food crisis. The 'African Emergency Food Production Facility' will support about 20m African small holder farmers with certified seed fertilizer, loan guarantees, and technology to rapidly produce 38m tons of food. ([www.dailyguidenetwork.com](http://www.dailyguidenetwork.com) 24/05/22)

### **WB approves \$350m loan to spur Morocco's blue economy**

The World Bank announced Tuesday the approval of a \$350m loan to support Morocco launch a blue economy program. The Program aims to create economic growth and employment while improving sustainability and resilience of natural resources and food security. ([www.xinhuanet.com](http://www.xinhuanet.com) 24/05/22)

### **CAR to launch bitcoin investment platform**

Central African Republic will launch the continent's first legal cryptocurrency investment hub, the presidency said, extending the impoverished country's embrace of digital finance despite words of caution from the IMF. ([www.reuters.com](http://www.reuters.com) 24/05/22)

### **Nigeria's Central Bank raises monetary policy rate to 13%, the first time in 6 years**

The Monetary Policy Committee of the Central Bank of Nigeria has voted unanimously to raise the benchmark interest rate to 13% after two years of expansionary monetary policy. This was disclosed by the Governor of the CBN, Godwin Emefiele. ([www.norvanreports.com](http://www.norvanreports.com) 24/05/22)

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