

China GDP growth slows to 6.2pc in Q2

China GDP

Quarterly growth

%, y-o-y



Source: China NBS

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● The GDP figures are within the government's target range of 6.0-6.5pc for the whole year

● Total H1 exports rose only 0.1pc

● Industrial output rose 6.3pc, from 5.0pc in May

● H1 car sales were down 12.4pc

● The trade war with the US has hit demand for China's goods

Beijing, China

China's growth slowed to its weakest pace in almost three decades in the second quarter, with the US-China trade war and weakening global demand weighing on the world's number-two economy, official data showed yesterday.

The slowing economy makes it more difficult for President Xi Jinping to fight back forcefully against Washington -- which is using tariffs as leverage to try to



Beijing has introduced measures this year to boost the economy

force Beijing into opening up its economy.

The 6.2 per cent figure released by the National Bureau of Statistics was in line with a survey of analysts by AFP and down from a 6.4pc expansion in the first quarter.

The GDP figures are within the government's target range of 6.0-6.5pc for the whole year, down from the 6.6pc growth China put up in 2018.

"Economic conditions are still severe both at home and abroad, global economic growth is slowing down and the external instabilities and uncertainties are increasing," said NBS spokesman Mao Shengyong.

"The economy is under new downward pressure."

Beijing has introduced measures including a massive tax cut to boost the economy, but they have not been enough to offset a domestic slowdown and softening overseas demand -- made worse by a punishing trade war with its biggest trading partner country, the United States.

Total exports rose only 0.1pc on-year during the first six months.

Analysts widely expect Beijing will step up support in the coming months. Mao told journalists: "There is still much room for policy manoeuvring".

Monetary easing is expected

to help boost the economy, and the central bank on Monday finalised a previously announced cut to the amount of cash that small and medium-sized banks hold in reserve.

With this year marking the 70th anniversary of the People's Republic of China founding, politics necessitates healthy growth, said Raymond Yeung of ANZ bank.

"The Chinese government will not allow the quarterly growth to fall below 6.0 (percent)," he said in a note.

Bright spots

The month of June held bright spots for the economy.

Industrial output rose 6.3pc, from 5.0pc in May, which was the slowest increase since 2002.

Fixed-asset investment also picked up, rising 5.8pc on-year in January-June, from 5.6pc in January-May.

China's 1.3 billion consumers continued to open their wallets, with retail sales growing 9.8pc on-year in June, up from 8.6pc in May.

"A stronger end to the quarter didn't prevent growth from slowing in (the second quarter) and we see more weakness on the horizon," said Julian Evans-Pritchard of Capital Economics in a note.

Sales of big-ticket items such

as cars have not held up, with sales down 12.4pc in the first half of the year, according to the China Association of Automobile Manufacturers.

And growth in infrastructure investment has retreated from years of near 20pc expansion -- coming in at a 4.1pc rise in January-June.

Imports and exports also both shrank in June, while the urban unemployment rate ticked up to 5.1pc for the month.

Meanwhile, extreme weather and highly contagious African swine fever have sent food prices skyrocketing, especially for meat, with the size of the world's largest pig herd down 15pc in the first half of the year.

'Economic realities'

The trade war with the US has hit demand for China's goods, compounding slowing demand from the rest of the world.

"It's hard to escape the economic realities that the US-China trade war is having on global economies," said Stephen Innes, managing partner at Vanguard Markets.

Altogether the two economic giants have slapped each other with punitive tariffs covering more than \$360 billion in two-way trade, damaging manufacturers on both sides of the Pacific.

It helped push China's manufacturing activity into contraction last month and its exports to the US dropped more than 8pc over the first half of the year.

High-level trade talks to resolve the issues resumed this month, but the gulf between the two sides remains wide.

China on Friday said it would impose sanctions on US companies involved in a potential arms sale worth \$2.2 billion to self-ruled Taiwan.

CIBAFI and Ivey Business School to organise fifth executive programme



CIBAFI - Ivey Business School Executive Programme (file)

TDI | Manama

The General Council for Islamic Banks and Financial Institutions (CIBAFI) and Ivey Business School at Western University, Canada, on their fifth year of fruitful collaboration, bring this year's Executive Programme on "Strategic Thinking, Agile Leadership and Curiosity, and Application of FinTech Innovations".

The two-day programme will be held on 5 - 6 November 2019, in Manama.

This year's agenda will focus on strategic thinking, agile leadership and curiosity and the application of FinTech innovations to diverse aspects of the financial services. This year's Executive Programme

also aims to include a pre-programme survey to gauge the participants level of leadership curiosity as well as the inclusion of experience sharing from industry leaders.

This programme is ideal for Senior Executives and Board Members from the Finance and Banking sector, Strategy and Consulting Industries, as well as members of regulatory bodies, among other functions.

Interested participants are encouraged to apply before or by 18th August 2019 to avail of the discounted early bird registration fee. By the end of the programme, participants will be entitled to receive a joint certificate of attendance from CIBAFI & Ivey Business School.

Bahrain Islamic Bank ready for open banking services

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Bahrain Islamic Bank (BisB) yesterday announced its readiness for open banking services to its customers, effective 1 July 2019.

The open banking services features two types of services, the first being the Account Information Service, which comprise granting customers' access to their bank account data from different banks through a single unified platform; the second entailing the ability of customers to easily and effectively make payments and transfers between different accounts through a single application.

In the future, customers will be able to benefit from this streamlined platform, which provides them access to all of the leading banks and companies that provide banking services, enabling them to compare alternatives and select the option they require, the bank said in a statement.

"Open Banking is a game changer, it broadens the horizons for our customers, offering new online payment channels without the need for credit cards or debit cards, as well as providing access to their different bank accounts



Hassan Jarrar

through a single digital platform," said the Chief Executive Officer of BisB, Hassan Jarrar. "We have securely positioned ourselves as a unique institution amongst the other leading banks in the Kingdom, setting the pace of competition in the digital race, in light of our unwavering commitment to continually provide innovative banking products and services. We look forward to working with FinTech companies and other institutions to implement the CBB's directives and spearhead digital innovation in the banking sector," he added.

Trump weighs ousting commerce secretary Ross

Washington, United States

President Donald Trump is considering removing Commerce Secretary Wilbur Ross after the administration failed to add a question on citizenship to next year's census, NBC news reported Monday.

Ross was at Trump's side on Thursday as he announced he had abandoned the effort to add the citizenship question after the Supreme Court effectively blocked them from doing so last month.

Citing multiple anonymous sources, NBC News said Monday that Trump had told aides and allies he was considering whether to fire Ross "as soon as this summer."

A Commerce Department spokesman said Monday that Ross remained in his position and was busy overseeing the response to Hurricane Barry, after accompanying Trump on campaign stops as recently as Friday.

"He has shepherded the Department of Commerce into a new era, where, under the President's leadership and direction, we have better supported American businesses from unfair trading practices and have reinforced our national and economic security at long last," the spokesperson



Secretary Wilbur Ross

told AFP by email.

The census case was widely seen as a stinging setback for Ross.

In court proceedings, federal judges found he had been untruthful in claiming he wanted to add the question at the Justice Department's request as part of efforts to enforce the Voting Rights Act of 1965.

Opponents slammed the effort as a bid to tilt the balance of power in Congress to Republicans by discouraging non-whites from responding to the census, which is conducted every 10 years and used to decide the number of representatives in the granted to states.

Initially a key figure in Trump's aggressive trade policies, Ross in recent months has not had a visible role in crucial talks with China.