India readies policy to attract investment in coal mining

Reuters | New Delhi

Coal Minister Pralhad Joshi

India expects to have formulated a policy within the next two weeks to attract foreign investment to its coal mining industry, the country's Coal Minister Pralhad Joshi said yesterday.

Sources told Reuters last month that the country planned to invite bids for coal mining blocks by the end of 2019. It is also creating a coal price index as part of plans to open the sector to outside investment.

"We are formulating various policies within the coal ministry to attract foreign investment. Hopefully within a fortnight or a month's time we will come out with a policy," Joshi said at the India Energy Forum by CERAWeek.

Joshi said the government was looking to make investing in coal mines more attractive to bidders.

"We have several small blocks which usually don't attract foreign investment. Fortunately for us it's that we need bigger blocks."

Joshi said he expects India's coal demand to rise more than 21 per cent from current levels to 1.2 billion tonnes in 2023, adding that coal would be necessary for the next three decades.

CBB's Noora Hassan Abdulghani gets GFCs membership

TDT | Manama

Noora Hassan Abdulghani,

Noora Hassan Abdulghani, a Superintendent in the Inspection Directorate at the Central Bank of Bahrain (CBB), has been named as a member of the Global Future Councils (GFCs).

GFCs is the world's largest expert-level and foremost interdisciplinary knowledge network dedicated to promoting innovative thinking to shape a sustainable and inclusive future for all.

It is an invitation-only community organised by the UAE Government in partnership with the World Economic Forum (WEF) where two co-chairs lead each of the 38 councils comprised of 20-25 leading experts from academia, government, international organizations, business, and civil society.

Abdulghani extended her gratitude and appreciation to Rasheed Mohammed Al Maraj, Governor of the Central Bank of Bahrain, saying, "This membership will reflect positively on my performance in the CBB Inspection Directorate, which specializes in ensuring best practices in the banking and financial sector."

Germany plans steeper-than-expected tax hike on short flights - official

Reuters | Berlin

Chancellor Angela Merkel's conservatives and the Social Democrats, agreed that short-haul flights should be taxed more heavily

Berlin plans to increase taxes on short-haul flights by more than 5 euros, an official at the Finance Ministry said yesterday, a larger tax hike under Germany's emissions cutting programme than many had expected.

The levy on domestic and intra-European flights would rise to 13.03 euros from 7.50 euros, the official said, while carbon charges on medium-haul flights could rise to 33.01 euros from 23.43 and for long-haul flights to 59.43 from 42.18 euros.

A draft law seen by Reuters showed that the government had planned smaller hikes as recently as earlier this month.

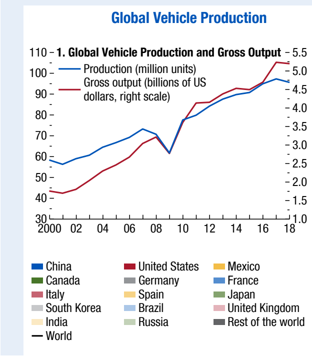
The German government, which consists of Chancellor Angela Merkel's conservatives and the Social Democrats, agreed that short-haul flights, particularly heavy in CO_2 emissions, should be taxed more heavily in proportion to underlying ticket prices than longer flights, the official said.

The finance ministry official said that Germany could expect an additional tax take of around 740 million euros once the new taxes come into force in April. The proceeds will mainly be used to finance tax relief on train tickets.

Trade war cuts global growth to lowest since financial crisis: IMF

IMF Chief Economist Gita Gopinath speaks in her office during the Spring Meetings of the World Bank Group and IMF in Washington, U.S

> To rejuvenate growth policymakers must undo the trade barriers put in place with durable agreements, rein in geopolitical tensions and reduce domestic policy uncertainty
>
> GITA GOPINATH
>
> IMF CHIEF ECONOMIST



- **GDP growth projected at 3.0 per cent, down from 3.2pc in July**
- **US-China tariffs would reduce global economic output by 0.8pc**
- **For 2020, global growth was set to pick up to 3.4pc due to expectations of better performances in Brazil, Mexico, Russia, Saudi Arabia and Turkey**
- **Global vehicle purchases fell by 3pc in 2018**

Bahrain growth projected at 3pc in 2024

Manama

The International Monetary Fund projects Bahrain's GDP (annual percentage change) to grow 2.0 per cent this year, up from 1.8pc a year ago.

The global lender's latest projection also shows Bahrain's 2020 GDP growth at 2.1 per cent, which further improves to 3.0pc by 2024.

In comparison, Saudi is projected to grow 0.2pc in 2019, 2.2pc in 2020 and 2.5pc in 2024.

IMF also sees UAE's GDP growth at 1.6pc in 2019, 2.5pc in 2020 and 2.5pc in 2024.

Middle and Central Asian nations as a whole is projected to grow 0.9pc this year, 2.9pc in 2020 and 3.3pc in 2024, IMF report says.

Reuters | Washington

The US-China trade war will cut 2019 global growth to its slowest pace since the 2008-2009 financial crisis, the International Monetary Fund warned yesterday, adding that the outlook could darken considerably if trade tensions remain unresolved.

The IMF said its latest World Economic Outlook projections show 2019 GDP growth at 3.0 per cent, down from 3.2pc in a July forecast, largely due to increasing fallout from global trade friction.

The forecasts set a gloomy backdrop for the IMF and World Bank annual meetings this week in Washington, where the Fund's new managing director, Kristalina Georgieva, is inheriting a range of problems, from stagnating trade to political backlash in some emerging market countries struggling with IMF-mandated austerity programs.

The World Economic Outlook report spells out in sharp detail the economic difficulties caused by the US-China tariffs, including direct costs, market turmoil, reduced investment and lower productivity due to supply chain disruptions.

The global crisis lender said that by 2020, announced tariffs would reduce global economic output by 0.8pc. Georgieva said last week that this translates to a loss of $700 billion, or the equivalent of making Switzerland's economy disappear.

"The weakness in growth is driven by a sharp deterioration in manufacturing activity and global trade, with higher tariffs and prolonged trade policy uncertainty damaging investment and demand for capital goods," IMF Chief Economist Gita Gopinath said in a statement.

Services were still strong across much of the world, but there were some signs of softening in services in the United States and Europe, Gopinath said.

For 2020, the Fund said global growth was set to pick up to 3.4pc due to expectations of better performances in Brazil, Mexico, Russia, Saudi Arabia and Turkey. But this forecast was a tenth of a point lower than in July and was vulnerable to downside risks, including worse trade tensions, Brexit-related disruptions and an abrupt aversion to risk in financial markets.

Investment, trade stall

The IMF said foreign direct investment abroad by advanced economies came to "a virtual standstill" in 2018 after increasing in earlier years to average more than 3pc of global gross domestic product annually - or more than $1.8 trillion.

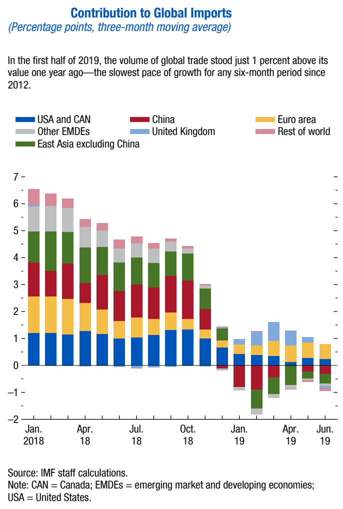
The institution said the decline of some $1.5 trillion between 2017 and 2018 reflected purely financial operations by large multinational corporations, including in response to changes in U.S. tax law.

Global vehicle purchases fell by 3pc in 2018, reflecting a drop in demand in China after expiration of tax incentives and production adjustments after adoption of new emissions standards in Germany and other eurozone countries.

Global trade growth reached just 1pc in the first half of 2019, the weakest level since 2012, weighed down by higher tariffs and prolonged uncertainty about trade policies, as well as a slump in the automobile industry.

After expanding by 3.6pc in 2018, the IMF now projects global trade volume will increase just 1.1pc in 2019, 1.4 percentage points less than it forecast in July and 2.3 percentage points less than forecast in April.

Trade growth was expected to rebound to 3.2pc in 2020, however risks remained "skewed to the downside," the IMF said, with a significant drag on both the US and Chinese economies.



For a table showing IMF country and regional forecasts, see

Tariff, Reshoring losses

New IMF projections show China's GDP output falling 2 percent in the near term under the current tariff scenario and 1 percent in the long term, while US output would decline 0.6 percent over both time spans.

"To rejuvenate growth policymakers must undo the trade barriers put in place with durable agreements, rein in geopolitical tensions and reduce domestic policy uncertainty," Gopinath said.

But she was cautious about President Donald Trump's announcement on Friday of a "Phase 1" US trade deal with China, saying that more details were needed about the "tentative" deal.

The IMF also modelled what would happen if multinational firms in the United States, euro area and Japan reshored enough production to reduce nominal imports by 10pc. The lender found that it would drive up consumer prices and reduce domestic demand, while throttling the spread of technology to emerging economies.

"At 3pc growth, there is no room for policy mistakes and an urgent need for policymakers to cooperatively deescalate trade and geopolitical tensions," it said.

"Further escalation of trade tensions and associated increases in policy uncertainty could weaken growth relative to the baseline projection."