

Fawri+ Daily Cap now **BD 3,000**

Fawri+ volume drives reform

● Daily limit up to BD 3,000

● CBB drives fintech upgrade

● Rising transaction volumes speed change

Mahir Haneef
TDT | Manama

Bahrain has tripled the daily transfer limit on Fawri+ to BD 3,000 following a directive from the Central Bank



of Bahrain, BENEFIT announced today.

Transfers through Fawri+ previously capped at BD 1,000 can now go up to BD 3,000 per day, available 24 hours a day throughout the year. The increase is intended to match consumer and small business demand for rapid and higher-value digital transfers.

In 2024 Fawri+ processed nearly 420 million transactions worth BD 9 billion, a 26 percent increase over the previous year. This uptake underscores the platform's growing significance in Bahrain's digital finance ecosystem.

Fintech leadership

The change positions Bahrain as a regional leader in real-time payment infrastructure. Other GCC nations are also increasing instant-transfer thresholds as part of regional fintech development.

A higher limit is expected to reduce reliance on cash, support small enterprises, and improve transaction convenience. BENEFIT and the Central Bank of Bahrain will monitor usage and may consider further adjustments.



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US Treasury chief says needs to 'examine' Fed's performance

AFP | Washington, United States

US Treasury Secretary Scott Bessent said yesterday that the institution of the Federal Reserve -- and whether it has been successful -- must be examined, as President Donald Trump escalates pressure on the independent central bank.

While Jerome Powell's term as Fed chief ends in May 2026, Trump has recently zoomed in on the Fed's \$2.5 billion renovation project as a possible avenue for his ousting.

The fresh attacks came after months of criticism aimed at Powell as the central bank held interest rates steady this year, holding off cuts while policymakers monitored the effects of Trump's tariffs.

This has drawn ire from the president, who repeatedly insisted the Fed was too late in slashing rates.

Asked if he would offer his

opinion on firing Powell, Bessent told CNBC on Monday: "I think that what we need to do is examine the entire Federal Reserve institution and whether

ing they have been successful." He added that he would be speaking late Monday about regulation, which the Fed also has a role in, one day before the official opening of a conference hosted by the Fed.

But Bessent did not comment on a Wall Street Journal report over the weekend that he had privately set out his case to Trump for why the president should not try to fire Powell.

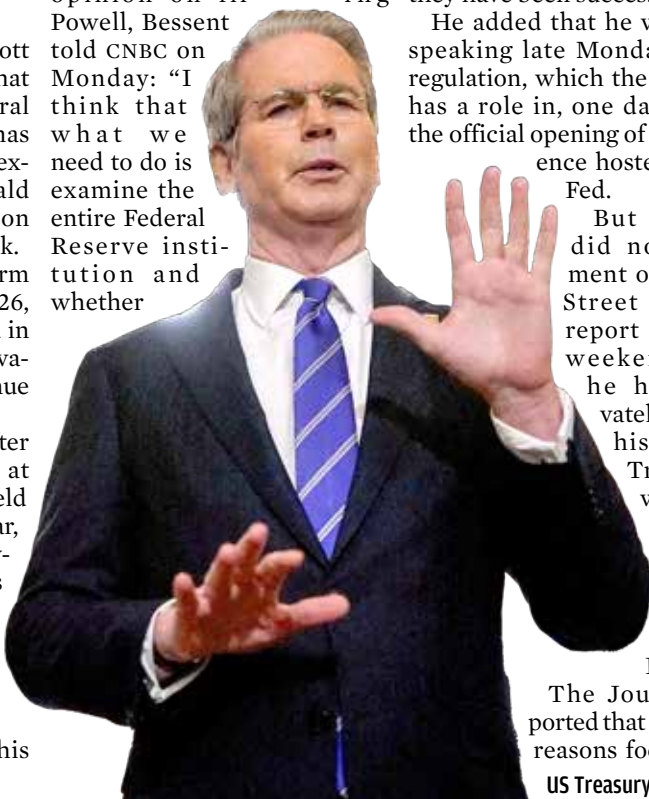
The Journal reported that Bessent's reasons focused on

issues including effects on the economy and markets, alongside the likely political and legal obstacles Trump would encounter.

Bessent told CNBC there has been "very little, if any, inflation" from Trump's wide-ranging tariffs so far, and suggested that central bankers appear unable "to break out of a certain mindset."

Since returning to the presidency in January, Trump has imposed a 10% levy on goods from nearly all trading partners, with higher rates separately on imports of steel, aluminum and autos.

While the effects on consumer inflation have been muted so far, given that Trump has backed off or postponed the harshest among his proposed measures, economists expect that data over the summer months will give a better idea of the tariffs' impact.



US Treasury Secretary Scott Bessent

Microsoft looks to boost AI performance in European languages

AFP | Paris, France

US tech behemoth Microsoft is investing millions of dollars to funnel more European-language data into AI development, company president Brad Smith told AFP Monday.

With today's leading AI models mostly trained on material in English, "the survival of these languages and the health of these cultures is quite literally at stake" without a course correction, Smith said in an interview.

AI models are "less capable when it is in a language that has insufficient data," he added -- which could push more users to switch to English even when it is not their native language.

Microsoft will from September set up research units in the eastern French city Strasbourg to "help expand the availability of multilingual data for AI development" in at least 10 of the European Union's 24 languages, including Estonian and Greek.



The work will include digitising books and recording hundreds of hours of audio.

"This isn't about creating data for Microsoft to own. It is about creating data for the public to be able to use," Smith said, adding that the information would be shared on an open-source basis.

The US-based company has in recent months striven to position itself as especially compatible with a gathering political push for European technological sovereignty.

Leaders in the bloc have grown increasingly nervous at their dependency on US tech firms and infrastructure since Donald Trump's reelection to the White House.

ECB expected to hold rates as Trump **tariff uncertainty** lingers

● The 26 members of the ECB's governing council will meet just over a week before an August 1 deadline

● Trump has threatened to triple a basic tariff on imports from the EU to 30%

AFP | Frankfurt, Germany

The European Central Bank is set to hold interest rates for the first time in almost a year when policymakers meet this week, despite concerns over the potential impact of higher US tariffs on the eurozone economy.

The 26 members of the ECB's governing council will meet just over a week before an August 1 deadline set by US President Donald Trump for the imposition of his government's punitive tariffs.

Trump has threatened to tri-



U.S. President Donald Trump holds up the "GENIUS Act" alongside applauding lawmakers after signing the bill into law during a ceremony in the East Room of the White House

ple a basic tariff on imports from the EU to 30% if Brussels does not cut a deal by the end of the month, casting uncertainty over the future of transatlantic trade.

But the ECB was expected to hold tight on rates instead of preempting the outcome of negotiations, pausing a series of cuts that goes back to September.

The central bank has reduced its benchmark rate a total of eight times since June last year and at each of its last seven meetings, bringing it down to two percent.

The rapid reduction in rates has come as eurozone inflation has fallen back towards the ECB's two-percent target from the double-digit highs seen in

2022.

In June, eurozone inflation sat exactly on the ECB's target and was forecast by officials at the central bank to even out at two percent for the year.

'More clarity'

The ECB would "almost certainly leave interest rates unchanged" at the conclusion of its monetary policy meeting on Thursday, analysts from Italian bank UniCredit said in a note.

"The central bank will now want to have more clarity on the trade outlook before it considers adjusting its policy further," they said.

Despite the murky outlook, the ECB was in a "good place" to deal with what comes next, executive board member Isabel Schnabel told financial news service Econostream Media this month.

And with the euro area economy showing some signs of life despite Trump's threats on tariffs, "the bar for another rate cut is very high", she said.

Euro area factory output has grown four months in a row and

the bloc's manufacturing PMI -- a survey-based measure of manufacturer's overall health -- rose in June to its highest level since August 2022.

The improving picture painted by recent indicators could, however, be shattered were Trump to follow through with additional tariffs on top of steep existing levies on auto manufacturers, steel and aluminium.

Euro strength

The sabre-rattling from the Oval Office over trade -- and Trump's repeated attacks on the US Federal Reserve's independence -- have otherwise had the impact of weakening the dollar against the euro.

Were the euro to rise much further it would make matters "much more complicated", ECB Vice President Luis de Guindos told Bloomberg TV this month.

A stronger single currency brought with it the risk of undershooting the ECB's inflation target by making imports cheaper and cooling the economy, while making European exports more expensive.

Already, the ECB's forecasts published last month predict inflation to fall to 1.6 percent in 2026, before recovering to two percent the following year.

A strong euro meant rate cuts later in the year were a matter of "when and by how much and not if", ING bank analyst Carsten Brzeski said.

The question would get "more attention" at forthcoming ECB gatherings, Brzeski said, but the uncertainty over US tariffs argued in favour a "wait-and-see approach".

Trump had upped the threatened level of tariffs on EU exports to the United States since the ECB's last meeting but where they would land after August 1 was uncertain.

With the EU locked in talks with Washington to avoid higher tariffs, the necessary "clarity is unlikely to emerge by next Thursday", UniCredit analysts said.

A pause was likely before another cut later in the year, perhaps already in September, the first meeting after the summer, they said.