

Headlines:

- **IMF Revises Down Middle East and Central Asia Economic Outlook as Pandemic Persists**
- **Much-Needed Breather: Pakistan Gets Rs335 bn Debt Relief from G-20**
- **China Announces Retaliatory Sanctions on US Officials Over Xinjiang**

Details:

IMF Revises Down Middle East and Central Asia Economic Outlook as Pandemic Persists

The International Monetary Fund lowered its economic forecast for the Middle East and Central Asia (Meca) region, which is now set to contract 4.7 per cent this year, due to the impact of the Covid-19 pandemic and lower oil prices. The latest projection is 2 percentage points lower than the fund's April estimate, the IMF said in its latest Middle East and Central Asia Economic Outlook. The deeper contraction is in line with revisions to the global economy's outlook, which is forecast to contract 4.9 per cent this year, according to the Washington-based fund. The pandemic will continue to test the economic resilience of MECA countries given the "unusually high uncertainty" of the outbreak's impact on businesses and risk from a potential return of volatility in global oil markets dominates the regional outlook, the IMF said. Though the region's response to the pandemic was swift and saved lives, the policies have also had a large impact on domestic economic activity, the lender said. "A sharp decline in oil prices together with production cuts among oil exporters and disruptions in trade and tourism added further headwinds," it said. Oil prices, which slumped more than 70 per cent this year, have recovered after the Opec+ group of oil exporters, led by its biggest producers Saudi Arabia and Russia, agreed to output cuts to curtail supply in the market. Crude prices, however, remain significantly lower than their peak last year. Several countries in the region have started opening their economies; however, "rising infection numbers may pose risks," it added. The virus has infected over 12.8 million people worldwide and killed more than 568,000, according to Johns Hopkins University, which is tracking the outbreak. The IMF projects a cumulative loss of over \$12 trillion (Dh44tn) to the global economy, which is set to slide into the deepest recession since the 1930s. Governments worldwide including Saudi Arabia and the UAE – the two biggest Arab economies – have topped up their fiscal support to offset the effects of the pandemic, pumping about \$11tn into their economies, compared with \$8tn in April. Despite the injection of capital, the IMF said downside risks remain and the recovery of the global economy will be sluggish, expanding 5.4 per cent in 2021. [Source: The National]

Some analyst predict that the GCC will recover faster than other countries of MECA. It is unlikely that the Gulf countries will recover anytime soon. The economies of four major trading partners: EU, China, India and Japan remain very weak, and oil prices are down. This will negatively impact the economies of GCC and slow down economic revival.

Much-Needed Breather: Pakistan Gets Rs335 bn Debt Relief from G-20

Pakistan has reconciled its debt with over one dozen bilateral creditors so far out of total 20 countries and then debt relief agreement will be signed with each of the country separately before deadline of December 31, 2020, in order to avail debt relief of slightly over \$2 billion (Rs335 billion), The News has learnt. A top official of Finance Division told The News on Sunday that the work was in progress for availing debt relief announced by G-20

countries. "So far we have reconciled over one dozen creditors out of total 20 so we are making efforts to accomplish reconciliation of exact debt data as soon as possible after which Islamabad will have to sign agreement with each bilateral creditor separately," said the top official. Other sources said that the deadline for accomplishing debt relief was envisaged at December 31, 2020, but the government was making all out efforts to accomplish this task within first quarter till September 30. This debt relief of over \$2 billion, according to the official, provided much needed breathing space as if it had not happened then the pressure on exchange rate might have mounted in recent months because of due payments on external front. Among the G20 countries, China is the largest bilateral creditor as its outstanding liabilities against Pakistan piled up to \$9 billion, followed by Japan with \$5 billion and the remaining countries, including South Korea, France, Germany, Canada, USA, Saudi Arabia and others. Pakistani authorities sought help from the World Bank to develop standard format for seeking debt relief from bilateral creditors but due to different standard requirements it could not be developed. Now the Economic Affairs Division has developed its own format in consultation with stakeholders and Ministry of Law for moving ahead on this subject. [Source: The News]

Pakistan's main economic problem is not the debt burden but blind submission to the IMF stipulations. Successive governments have implemented IMF programmes, which have gradually eroded the country's economic sovereignty.

China Announces Retaliatory Sanctions on US Officials Over Xinjiang

Beijing has announced sanctions against United States officials, including Senators Marco Rubio and Ted Cruz, in retaliation for measures announced by Washington last week over Beijing's alleged human rights abuses in Xinjiang. Chinese foreign ministry spokeswoman Hua Chunying revealed the new sanctions at a press conference Monday, calling on the US to "stop interfering in China's international affairs." Among the US officials named by Hua are Senators Rubio and Cruz, both former presidential candidates, US Representative Chris Smith, Ambassador at Large for International Religious Freedom Sam Brownback and the Congressional-Executive Commission on China. "I must point out the Xinjiang affairs are China's internal affairs and the US has no right to interfere," Hua said. "We urge the US to immediately withdraw its wrong decision and stop interfering in China's internal affairs or undermining China's interests. And we will make further reactions based on the development of the situation." Hua said the sanctions would take effect on Monday but provided no further details on the measures or what they might entail. Washington's sanctions against Chinese officials include the freezing of all US assets and a block preventing US nationals from conducting business with them. Anyone sanctioned by the US also faces visa restrictions, preventing them and their families from entering the US. China's western Xinjiang region is culturally and ethnically different from much of the rest of the country, with a large Turkic minority population, and has for years had an uneasy relationship with the government in Beijing. The US State Department estimates that since 2015 as many as two million Muslim-majority Uyghurs and other Turkic minorities have been imprisoned in enormous re-education camps in Xinjiang, as part of a region wide crackdown by Beijing. There have also been reports of historic Uyghur graveyards being demolished, Uyghur families being forced to welcome in Communist Party officials and mass surveillance of communities across Xinjiang. [Source: CNN]

It is unfortunate to see how Muslims of Xinjiang have become a political football between infidel (Kufr) powers. The only salvation for Muslims of Xinjiang and Muslims around the world is the return of Khilafah Rashidah (rightly guided Caliphate) upon the method of the Prophethood which will put an end to the tyranny of infidel powers over Muslim lands.