Oil Falls On Potential Increase in Iraqi Supply and Demand Concerns

Oil prices fell on Tuesday, August 22, as the market awaited to see if Iraqi exports through the Turkish port of Ceyhan will resume, which may ease the supply scarcity caused by the OPEC+ alliance cuts, while the struggling Chinese economy continues to cast a shadow over the outlook for global demand.

Brent crude fell 8 cents to $84.38 a barrel, and U.S. West Texas Intermediate crude fell 7 cents to $80.65 a barrel.

Meanwhile, pessimism about the economic outlook in China, the world’s second-largest oil consumer, has pressured prices and raised concerns about fuel demand.

Oil price drops, July 2023

Dubai Airport Surpasses Pre-Pandemic Levels.. 41.6 Million Passengers in the First Half

During the first half of this year, Dubai International Airport witnessed a significant recovery in travel, with passenger traffic surpassing pre-pandemic levels in 2019. The world’s busiest international airport handled 41.6 million passengers in the first half, accounting for more than 0.01 percent of passenger numbers recorded in the first six months of 2019.

Dubai Airport recorded an outstanding performance during the second quarter of the year, with passenger traffic rising 42.7 percent from the same period of the previous year to 20.3 million passengers. May was the busiest month of the second quarter with 6.9 million passengers. Thanks to a strong performance during the second quarter, total passenger traffic through the airport in the first half of this year increased to 41.6 million, compared to 27.9 million passengers in the first half of 2022, an increase of 49.1 percent.

Source (Al-Khaleej Emirati Newspaper, Edited)

AI Will Not Destroy Most Jobs, But Some Are At Risk

A study by the United Nations International Labour Organization (ILO) on the impact of artificial intelligence on the quantity and quality of jobs shows that most jobs and sectors are only partially exposed to automation. Most of them are likely to be complementary rather than replaced by the latest generative AI wave, such as Chat GPT.

According to the study, office work will be the most exposed to technology, with about a quarter of the tasks being highly exposed and more than half at medium exposure. For other job groups, including those occupied by managers and technical experts, a small set of tasks will be highly exposed to technology and about a quarter to an average extent.

Source (Al-Arabiya.net Website, Edited)

Dubai International Airport Surpasses Pre-Pandemic Levels

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Source (Al-Khaleej Emirati Newspaper, Edited)
China Leads Global Investment in Alternative Energy

Bloomberg revealed that China is leading global investment in renewable energy, accounting for half of projects worth an estimated $358 billion, while the world spends more money than ever before, especially on solar energy.

According to Bloomberg, this figure was recorded during the first half of this year thanks to a strong market for rooftop photovoltaic power, and the commissioning of mega power projects.

The United States came in second by a wide margin. However, the volume of solar energy investment in the world's largest economy increased by 75 percent compared to the first half of 2022, to reach $25.5 billion.

Source (Al-Arab Newspaper of London, Edited)

Rising Temperatures Cause Food Insecurity

A soaring temperature rise for just a few days could be enough to deprive billions of low-income people of food, while record temperatures are recorded around the world, a study has revealed.

For example, a week-long temperature spike in India could likely lead to serious food insecurity for an additional eight million people, according to conclusions published in the journal Nature Human Behaviour.

The study, which covered 150 countries, mostly in tropical and subtropical regions, concluded that the heat wave itself meant millions of men, women, and children faced hunger, although overall food insecurity increased by less than 1 percent.

Source (Al-Arabiya.net Website, Edited)

High Inflation in Turkey is Temporary

Turkish President Recep Tayyip Erdogan stressed that "the rise in inflation in Turkey is temporary, as the government discusses steps to counter the rising cost of living."

He explained after the weekly meeting of the Council of Ministers, "Some economic indicators show improvement, and for this, we ask the Turkish people to be patient and believe in the government."

Inflation in Turkey rose in July to 47.8 percent and is expected to reach around 60 percent by the end of the year due to tax increases and the devaluation of the Turkish lira against other currencies.

Source (Al-Asharq Al-Awsat Newspaper, Edited)
The Bundesbank revealed that core inflation is peaking, while price pressures are receding very slowly, fearing that there is a growing risk that inflation will remain above 2 percent. According to the Bundesbank, the impression prevailed that inflation rates would last longer above the rates targeted by central banks. In particular, persistent high wage pressures may make it difficult to continue to curb inflation.

The European Central Bank raised interest rates from negative territory to 3.75 percent in just one year, the fastest pace ever, but monetary tightening is now coming to an end, and policymakers are debating whether a final rate hike is needed.

Source (Al-Asharq Al-Awsat Newspaper, Edited)

Vladimir Kazbekov, chief operating officer of the BRICS Development Bank, has revealed that the bank aims to issue its first Indian rupee bonds by October. This comes at a time when the new bank is under pressure to raise funds in local currencies and expand lending from them.

The bank issued its first bond in rand, South Africa’s official currency, and could consider issuing local currency bonds in member countries such as Brazil and Russia.

"We have now begun to seriously consider using the currencies of member states to finance projects in this currency in another member state. For example, we will use the Chinese yuan to fund a project in South Africa instead of the dollar."

Source (Al Khaleej Emirati Newspaper, Edited)

The German Central Bank Fears That Inflation Will Remain Above 2 Percent

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BRICS Group Bank to Issue First Indian Rupee Bonds

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Source (Al Khaleej Emirati Newspaper, Edited)
"De-Dollarization" Campaign Stumbles against Alternative Currencies

The global campaign to end the dominance of the U.S. dollar in trade and investment is in a crisis of confidence after the yuan, ruble, and Argentine peso – the currencies of countries calling for de-dollarization – fell simultaneously and turned to alternative currencies.

On Thursday, the Chinese currency fell to its weakest level this year. The ruble weakened as Russia's economy continued to falter, due to the impact of Western sanctions on the country's energy exports. The peso is down 22 percent as Argentina continues to struggle with hyperinflation.

The weakness of these currencies comes at a time when the three countries are seeking to shift away from the US dollar, in what is known as the "trend towards de-dollarization."

Source (Al Khaleej Emirati Newspaper, Edited)