

Headlines:

- **Storm Clouds Brewing for the Global Economy**
- **Pakistan has Bridged Balance of Payments Gap, claims Asad Umar**
- **China Passes 5 Year Plan to Sinicise Islam**

Details:

Storm Clouds Brewing for the Global Economy

The outlook for the global economy in 2019 has darkened. International trade and investment have softened. Trade tensions remain elevated. Several large emerging markets underwent substantial financial pressures last year. Against this challenging backdrop, growth in emerging market and developing economies is expected to remain flat in 2019. The pickup in economies that rely heavily on commodity exports is likely to be much slower than hoped for. Growth in many other economies is anticipated to decelerate. In addition, risks are growing that growth could be even weaker than anticipated, the World Bank's January 2019 Global Economic Prospects reports. Advanced-economy central banks will continue to remove the accommodative policies that supported the protracted recovery from the global financial crisis ten years ago. Also, simmering trade disputes could escalate. Higher debt levels have made some economies, particularly poorer countries, more vulnerable to rising global interest rates, shifts in investor sentiment, or exchange rate fluctuations. In addition, more frequent weather events raise the possibility of large swings in food prices, which could deepen poverty. Because equitable growth is essential to alleviating poverty and increasing shared prosperity, emerging market and developing economies need to face this challenging economic climate by taking steps to sustain economic momentum, readying themselves for turbulence, and foster long-term growth. Rebuilding budget and central bank buffers; nurturing human capital; promoting trade integration; and addressing the challenges posed by sometimes large informal sectors, are important ways to do this. "At the beginning of 2018 the global economy was firing on all cylinders, but it lost speed during the year and the ride could get even bumpier in the year ahead," said World Bank Chief Executive Officer Kristalina Georgieva. "As economic and financial headwinds intensify for emerging and developing countries, the world's progress in reducing extreme poverty could be jeopardized. To keep the momentum, countries need to invest in people, foster inclusive growth, and build resilient societies." [Source: World Bank Group]

Economic cycles are a permanent feature of capitalist economics. The present cycle is more than 10 years old and is due for a correction. However, unlike the financial crisis of 2008, governments will not be able to bail out the private sector, as many governments are already in debt. Subsequently, the next economic crisis is bound to be worse and far reaching.

Pakistan Bridged Balance of Payments Gap, claims Asad Umar

Finance Minister Asad Umar has claimed that Pakistan has bridged gap between balance of payment and forex reserves. During informal talks with journalists here, Asad Umar said talks with International Monetary Fund (IMF) are continuing, however, Pakistan was not depending entirely on IMF. The Finance Minister said, "Pakistan has made alternative arrangements if we did not receive IMF loan package." He continues, "There is no condition on the loan from Saudi Arabia and United Arab Emirates, however, Pakistan will only pay interest on it." [News International]

It appears that IK's government manufactured the balance of payment crisis to justify taking out more loans than those required to bridge the forex gap. One possible explanation is that Khan's government was fearful of the public objecting to the payment of external liabilities maturing in the coming weeks.

China Passes 5 Year Plan to Sinicise Islam

China has passed a five-year plan to make Islam more Chinese, even as it faces withering criticism for the large-scale detention of Muslims in Xinjiang. The plan aims "to guide Islam to be compatible with socialism and implement measures to sinicise the religion" so as to foster patriotism. It was adopted last week by the United Front Work Department, the Chinese Communist Party agency overseeing religion, following a meeting with representatives of local Islamic associations from eight provinces and regions, The Global Times reported. The plan on Islam is the latest in a series of steps taken by the central government in recent years to tighten its grip on major faiths in the country, amid a religious revival with more young Chinese identifying themselves as religious. There are similar plans for all five state-recognised religions - Buddhism, Taoism, Islam, Catholicism and Christianity. President Xi's campaign to sinicise religions officially began with a 2016 speech at a national conference on religion. He said then that the party needs to "actively guide those (who are) religious to love their country, protect the unification of their motherland and serve the overall interests of the Chinese nation". In particular, Beijing has long been concerned about the influence of extremist Islamic terrorist groups on the Uighurs in its autonomous region of Xinjiang. In recent months, China's clampdowns on the Muslim minority has drawn condemnation from Western countries such as France, Germany and the US. Last month, three mosques were closed in south-western Yunnan after the authorities said that they provided illegal religious education, sparking a clash between worshippers and the People's Armed Police. A 34-year-old Arabic school in Gansu was also shuttered after officials said it did not have the correct permits. Last October, China amended its laws to legitimise its detention of Uighurs in Xinjiang, after earlier denying the existence of such detention camps. The United Nations said in an August report that up to one million Uighurs are being detained in "re-education camps". Its top human rights official said last month that her office was seeking direct access to the region to verify these reports. Beijing has said its security measures are needed to combat the influence of extremist groups that incite violence there, and that the camps are vocational training schools. On Monday, the Chinese Foreign Ministry said that UN officials are free to visit Xinjiang, provided they meet certain conditions. "(They should) refrain from interfering in others' internal affairs or undermining others' sovereignty," said ministry spokesman Lu Kang at a regular press briefing. Experts said Beijing's latest move represents a further curtailment of religious freedoms, and President Xi's drive to consolidate power and control across various spheres including business and the military. Mr Xi's campaign to sinicise religions also shows his administration's wariness of religion's power to mobilise the masses, said National University of Singapore political scientist Chong Ja Ian. [Source: Straits Times]

Chinese enmity towards Islam is very clear. However, the silence of the rulers of the Muslim world is deafening. While Muslims suffer in China, leaders of Islamic countries openly covet Chinese investments and business opportunities. They have forsaken the protection of Muslim blood in preference for money. Allah (swt) says: ﴿أُولَٰئِكَ الَّذِينَ اشْتَرَوُا الضَّلَالَةَ بِالْهُدَىٰ فَمَا رَبَحَتِ تِجَارَتُهُمْ وَمَا كَانُوا مُهْتَدِينَ﴾ “Those are the ones who have purchased error [in exchange] for guidance, so their transaction has brought no profit, nor were they guided.” [2:16].