

The Weekly Observer

A selection of economic publications
by our Knowledge Management team
June 15, 2018



Institute for Economics & Peace - Global Peace Index 2018 Measuring Peace in a Complex world

The Global Peace Index 2018 report finds that the global level of peace has deteriorated by 0.27% over the last year. This is the fourth successive year of deterioration, finding that 92 countries have deteriorated, while 71 countries have improved. The report reveals a world in which tensions, conflicts and crises that have emerged over the past decade remain unresolved, causing a gradual, sustained decline in global levels of peacefulness.

Key highlights:

- Countries that improved in peace over the last decade had seven times higher GDP growth rates
- Military expenditure compared to country GDP has been steadily falling in more countries than increasing
- Battle deaths have risen steadily over the last 10 years, increasing by 264%
- Both Europe and North America become less peaceful, with 23/36 countries in Europe deteriorating last year
- Sub-Saharan Africa was home to four of the five largest improvements in peacefulness

Read: <http://visionofhumanity.org/app/uploads/2018/06/Global-Peace-Index-2018-2.pdf>

BP - Statistical Review of World Energy 2018 Two steps forward, one step back

Data published in the Review – the 67th annual edition – show that:

- growth in energy demand increased, led by growing demand for natural gas and renewables,
- gains in energy efficiency slowed as industrial activity in the OECD accelerated and output from China's most energy-intensive sectors returned to growth,
- coal consumption increased for the first time in four years, led by growing demand in India and China, and
- carbon emissions are estimated to have increased after three years of little to no growth.

In 2017 global energy demand grew by 2.2%, above its 10-year average of 1.7%. This above-trend growth was driven by stronger economic growth in the developed world and a slight slowing in the pace of improvement in energy intensity.

Demand for oil grew by 1.8% while growth in production was below average for the second consecutive year. Production from OPEC and the 10 other countries that agreed cuts decreased, while producing countries outside of that group, particularly the US driven by tight oil, saw increases. Consumption exceeded production for much of 2017 and as a result OECD inventories fell back to more normal levels.

Read: <https://www.bp.com/content/dam/bp/en/corporate/pdf/energy-economics/statistical-review/bp-stats-review-2018-full-report.pdf>

Bruegel - Is the European Semester effective and useful?

The authors study whether and to what extent EU countries implement recommendations on macroeconomic imbalances given by the EU in the so-called European Semester. They assess how recommendations have evolved since 2013, based on a new database. They also study how EU recommendations on addressing macroeconomic imbalances compare to recommendations given by the International Monetary Fund.

Overall implementation of recommendations by EU countries has worsened in the last few years, in particular when it comes to recommendations addressed to countries with excessive macroeconomic imbalances. The policy content of the recommendations is broadly aligned with economic priorities emphasised by their corresponding legal bases, but a sizable share of recommendations, such as childcare, are also labelled as relevant for resolving macroeconomic imbalances. Moreover, for countries with macroeconomic imbalances, the IMF tends to emphasise financial imbalances more frequently than the EU. The authors also note that the EU makes significant political choices about which imbalances are judged to be excessive and which are judged not excessive.

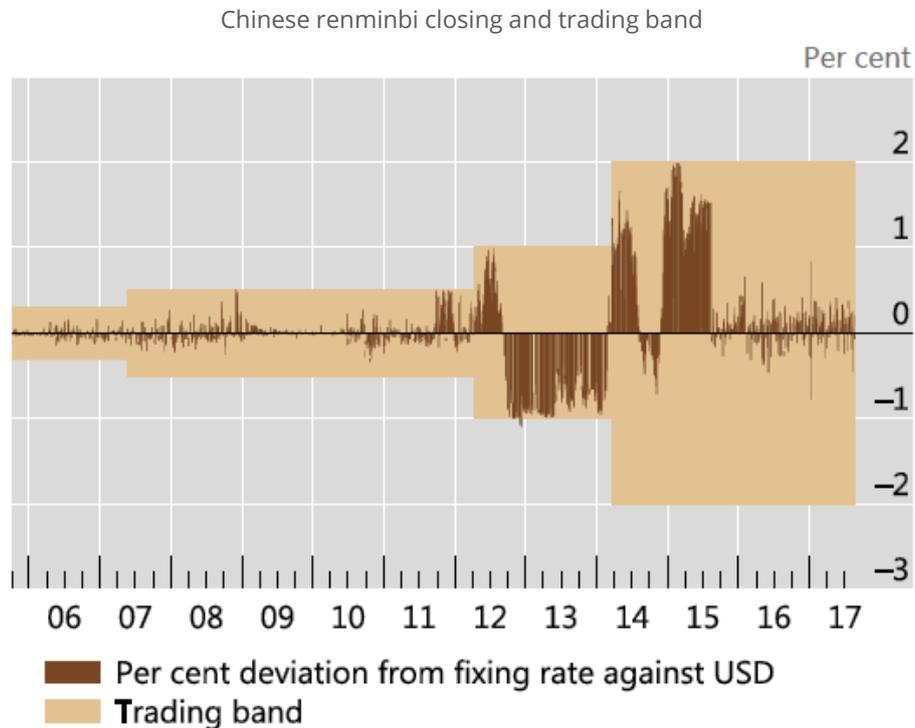
Read: http://bruegel.org/wp-content/uploads/2018/06/PC-09_2018_2.pdf

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BIS - Recent RMB policy and currency co-movements



Read: <https://www.bis.org/publ/work727.pdf>

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