

Q3, 2022, Selected Events

# Events Driving Global Instability and Risk



## Global: IMF Further Downgrades Global Growth in Jul 2022

- The baseline forecast is for growth to slow from 6.1% last year to 3.2% in 2022, 0.4 percentage point lower than in the April 2022 World Economic Outlook
- Lower growth earlier in the year, reduced household purchasing power, and tighter monetary policy all drive a downward revision of 1.4 percentage points in the United States
- In China, further lockdowns and the deepening real estate crisis have led growth to be revised down by 1.1 percentage points, with major global spill overs
- In Europe, significant downgrades reflect spill overs from the war in Ukraine and tighter monetary policy



## USA: Fed's Aggressive Rate Hikes Cause Global Havoc in Bonds, Stocks, Currencies in Jul-Sep 2022

- The Fed raised federal funds target rate by 75 basis points (bps) in July and September each, taking it to 3-3.25% in its quest to achieve maximum employment and a 2% inflation rate over the longer run
- This has wrecked global havoc and triggered the global sell-off across financial assets and all asset classes including bonds, stocks, and currencies have declined
- This means that central banks across major economies will have to recalibrate their actions accordingly



## Europe: Persistent Heatwaves in Europe in Jun-Aug 2022

- Persistent heatwaves have affected parts of Europe, causing evacuations and heat-related deaths
- The highest temperature recorded was 47 degrees Celsius in Pinhão, Portugal, on 14 July
- In June, severe anomalies were recorded in France where several records were broken, whereas in mid-July temperatures surpassing 40 degrees were recorded for the first time in the UK
- As a result of the heatwaves, widespread droughts and fires have occurred across the continent
- The heatwaves are believed to be linked to climate change in Europe

## Russia-Ukraine: 200+ Days of War Creating Global Economic Catastrophe in Jul-Sep 2022

- Russian President Vladimir Putin has pledged to stay the course in his campaign against Ukraine, warning if counterattacks continue, a more serious military response will be unleashed, nuclear threats have been made
- One-way flights out of Russia have rocketed in price after Putin ordered the immediate call-up of 300,000 reservists to fight in Ukraine
- Russian-backed separatists in occupied regions in Ukraine have announced referendums for provinces representing about 15% of Ukrainian territory



## USA-China-Taiwan: Growing Tension Between Taiwan, China and the US in Aug-Sep 2022

- United States politician Nancy Pelosi, while serving as the speaker of the U.S. House of Representatives, visited Taiwan on 2 August 2022
- China condemned the visit voicing its opposition prior to the trip and imposed sanctions in retaliation, stating that the visit constituted a gross interference in its internal affairs
- Post the visit, US has signalled its intention to support the agreed status quo, have pointed to China's reactin being an over-reacton, and US and Canadian warships have now sailed through the Taiwan strait



## Pakistan: Devastating Floods Cause Losses Worth c.US\$40 Billion in Jun-Sep 2022

- The floods have been caused by heavier than usual rains and melting glaciers that followed a severe heat wave, all of which are linked to climate change
- It is the world's deadliest flood since the 2017 South Asian floods and described as the worst in the country's history
- By 29 August, Pakistan's minister of climate change said around one-third of the country was under water, affecting 33 million people



Source: FT, NYT, WSJ, ET, CNN, Vox, Bloomberg

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# Events Driving Global Development and Progress

**Politics, Economics, Environment and Society**



**Economics: EIB Board, Supported by the EU Commission, Approves c.US\$1.6 Billion of EU Financial Assistance for Ukraine** in Jul 2022

- This is the second package of support for Ukraine

**Society: Japan to Invest US\$30 Billion in Africa to Develop Human Resources** in Aug 2022

- Japan pledged to invest US\$30 billion (4 trillion yen) in Africa over the next three years to spur development with a focus on human resources to shore up startups as well as industries ranging from health care to agriculture

**Society: UN Declares Healthy Environment a Human Right** in Jul 2022

- UN declares that everyone on the planet has a right to a healthy environment, a move backers say is an important step in countering the alarming decline of the natural world

**Politics: US President Joe Biden Signs Massive Climate and Healthcare Legislation** in Aug 2022

- President Joe Biden signed Democrats' landmark climate change and healthcare bill into law, delivering what he has called the "final piece" of his pared-down domestic agenda



**Politics: India Approves Major Climate Change Commitments to UN Ahead of COP27** in Aug 2022

- India formally committed to pivot half its electricity generation capacity to use clean fuels by 2030 and reiterated a demand for its due share of financial assistance as one of the world's top emitters seeks to go carbon-neutral by 2070



**Science & Technology**

**Healthcare: China and India Approve Nasal COVID Vaccines** in Sep 2022

- Scientists hope the immunizations, delivered through the nose or mouth, will prevent even mild cases of illness



**Technology: NASA's Webb Takes Its First-Ever Direct Image of Distant World** in Sep 2022

- For the first time, astronomers have used NASA's James Webb Space Telescope (JWST) to take a direct image of a planet outside our solar system



**Technology: World's First Offshore Hydrogen Platform Inaugurated** in Sep 2022

- Set to produce green hydrogen, the platform will receive all of its power from a nearby offshore wind farm



**Healthcare: India Develops its First Cervical Cancer Vaccine** in Sep 2022

- The Serum Institute of India (SII), the world's biggest vaccine maker, has developed the country's first cervical cancer shot that will hit the market soon

**Healthcare: GSK Signs Agreement to Support Pandemic Preparedness in Europe** in Jul 2022

- The core mission is to prevent, detect, and rapidly respond to health emergencies by working closely with European Commission health agencies and international partners



**Environment: Climate Earth Wins Case Against the UK Government's Inadequate Net Zero Strategy** in Jul 2022

- The High Court ruled in Climate Earth's favour against the Government's inadequate net zero strategy, concluding that it breaches the Climate Change Act, and needs to be strengthened.

**Technology: First Solar Investing US\$1.2bn to Scale US Capacity** in Sep 2022

- Solar technology company announced plans to significantly scale its PV solar module manufacturing capacity in the US

**Environment: c.22% People Going Green When Making Home Improvements** in Aug 2021

- Over a fifth of people making home improvements (22%) are doing so to improve energy efficiency, something that is becoming increasingly important as energy bills rise

**Healthcare: US Announces US\$1.7 bn in Aid to Ukraine to Pay Healthcare Workers** in Jul 2022

- While many medical staffers have left Ukraine, the ones who remain do their jobs under dire circumstances

**Technology: NASA's DART Mission Hits Asteroid in First-Ever Planetary Defense Test** in Sep 2022

- The mission's one-way trip confirmed NASA can successfully navigate a spacecraft to intentionally collide with an asteroid to deflect it, a technique known as kinetic impact

**Society: Southeast Asia Big Data Used to Generate Over US\$100bn in Health, Jobs, Social Protection** in Aug 2022

- Big data holds immense potential in fast-tracking post-COVID-19 economic recovery in Southeast Asia

**Environment: Over 500 Investors Managing c.US\$39 Trillion Urge Governments to Plan Fossil Fuel Phase Out** in Sep 2022

- Investor groups from around the world are advocating for governments to enact ambitious policies



**Society: New Resilience Project in Nigeria Paves Pathway to Peace and Sustainable Development** in Jul 2022

- The Resilience and Social Cohesion project, launched by the UNICEF and WFP will enhance peace, increase livelihood opportunities, and provide education, health, nutrition, child protection, and sanitation support to vulnerable populations