Malaysia March inflation

Malaysia's consumer price inflation hit an eight-year high in March, but is not seen as changing the central bank's position on monetary policy.

IMF: Global economic growth picking up

The world economy seems to be gaining momentum, according to the chief economist of the International Monetary Fund.

Writing in the IMF's new World Economic Outlook, Maurice Obstfeld said: "We could be at a turning point."

The report forecasts global growth this year of 3.5 percent, up from 3.1 percent predicted in 2016, BBC wrote.

The UK's economy is forecast to expand by two percent this year, stronger growth than any of the major developed economies apart from the US.

The prediction for Britain this year is now only marginally below what the IMF predicted a year ago, its last full forecast before the Brexit referendum.

The figure then was 2.2 percent. The revised forecast reinforces the picture of the British economy's performance being little affected by the aftermath of the referendum, contrary to the expectations of the IMF and many independent economists. The IMF does, however, expect the longer term impact on Britain to be adverse.

The IMF also warns of headwinds that could weaken its global projections. The organization highlights the possibility of protectionism and what the report calls 'trade warfare'.

However, the dominant tone of the report is rather sunnier than it has been for some time. For much of the period since the financial crisis of 2008 the IMF has worried that the recovery was failing to generate momentum

Dispelling fear

This time the IMF sees buoyant financial markets and "a long awaited cyclical recovery in manufacturing and trade".

The rebound in the prices of commodities has also helped dispel fears of deflation, or falling prices, which has been seen as a danger in the developed world. Deflation can, in some circumstances, aggravate economic weakness.

The forecast for this year would be a marked improvement on last year's 3.1 percent.

It's striking that in the forecast for the larger economies, there are none predicted to suffer a decline in economic activity this year or next.

Even Brazil and Russia, two countries that have suffered from the fallout of international and domestic political difficulties, are forecast to see growth this year, although it's not particularly strong.

Inevitably, the IMF identifies possible risks that could weaken its main forecasts. In particular, the report refers to increasing "pressures for inward looking policies in the advanced economies".

The report notes the loss of what it calls middle-skilled jobs in advanced economies as a result of technological change since the early 1990s.

There is controversy about to what extent increased global trade might have contributed to those losses.

Combined with the slow recovery from recent economic crises, this has affected people on lower incomes and led to growing disillusionment with globalization, the IMF said.

The report warns that this could trigger more protectionist policy actions on trade and immigration.

UK growth strengthens

Obstfeld wrote: "Capitulating to those pressures would result in a self-inflicted wound, leading to higher prices for consumers and businesses, lower productivity, and therefore, lower overall real income for households."

The report also said that the increased fragmentation of production processes across countries aggravates the potential economic damage.

The forecast for Britain has been revised up markedly for this year — to growth of two percent, from 1.6 percent predicted in 2016. That is a stronger than any of the leading developed economies apart from the US, whose growth is forecast to be 2.3 percent.

The revision for the UK reflects what the report calls the "stronger-than-expected performance of the UK economy since the June Brexit vote".

But the IMF still expects negative effects from leaving the EU including "reduced consumer purchasing power following the pound's depreciation and its gradual pass-through to prices and the impact of uncertainty on private investment".

It also said that longer term prospects have been diminished because of the expected increase in barriers to trade and migration and the potential impact on the UK's financial services.

One decidedly weak area is Africa, for which the IMF describes the outlook as subdued. For sub-Saharan Africa, economic growth is likely to only moderately exceed population growth. That means correspondingly only moderate progress in raising average living standards in the region.

Although commodity prices such as oil have rebounded from recent troughs, they are still relatively low. The Fund said that is holding back growth in oil-producing nations in Africa such as Nigeria and Angola.

ichef.bbci.co.uk

Main Indices of TSE

Index	Value	Change	Percent
Total Index	78598.9	42.8	0.06
Industry Index	67505.6	57.5	0.09
Free Float Index	85487.9	144.5	0.17
First Market Index	54874.1	10.2	0.02
Second Market Index	172398.8	204.1	0.12

Overall Index details on 20170419

First	78339.8	Change end of year(%)	875.21%
High	78631.5	Historical highest	89500.6 (20140105)
Low	78464.8	Historical lowest	100 (1369/1/6)
Close	78598.9	Base Value	100 (1369/1/6)
Change	42.8		

Industry Index details on 20170419

First	67243.8	Change end of year(%)	978.13%
Max Value	67529.4	Historical highest	75181.9 (20140105)
Max Value	67432.5	Historical lowest	1226.8 (1377/8/25)
Closing	67505.6	Base Value	
Closing	57.5		

Free Float Index details on 20170419

First	85487.9	Change end of year(%)	
Max Value	85492.6	Historical highest	105040 (20140105)
Max Value	85402.8	Historical lowest	
Closing	85487.9	Base Value	
Closing	144.5		

Main Board Index details on 20170419

First	54763.9	Change end of year(%)	754.16%
Max Value	54915.6	Historical highest	67441.4 (20140105)
Max Value	54830.9	Historical lowest	
Closing	54874.1	Base Value	4740.4 (1381/6/2)
Closing	10.2		

Secondary Index details on 20170419

First	171240.1	Change end of year(%)	1243.5%
Max Value	172388.1	Historical highest	174878 (20160405)
Max Value	171607.9	Historical lowest	
Closing	172398.8	Base Value	4740.4 (1381/6/2)
Closing	204.1		

ECB rate hike would help reduce German current account surplus

The German government believes an interest rate increase by the European Central Bank (ECB) would help to reduce Germany's often-criticized export surplus, the Funke Mediengruppe newspaper chain reported on Wednesday.

The newspaper cited an eight-page paper prepared by the German finance and economics ministries which Finance Minister Wolfgang Schäuble plans to present at the spring meeting of the International Monetary Fund later this week, according to Reuters.

Schäuble is a longtime critic of the ECB's current ultra-low interest rate policy.

The new paper does not call for the ECB to raise interest rates, but said tighter monetary policy would be in line with European economic recovery and would reduce Germany's current account surplus due to an expected strengthening of the euro.

"Economic growth in the eurozone and inflationary developments could spur the ECB to begin a normalization of its monetary policy," the paper said, according to the media report. "A stronger euro would automatically reduce the trade surplus."

US President Donald Trump and other US officials have taken aim at Germany's high current account surplus.

A senior German government official on Tuesday said it expected additional pressure from Washington to cut its surplus at IMF and G20 meetings this week.

The German government paper reiterated Berlin's view that the trade surplus was mainly due to the quality of its products and the decisions of private consumers and companies.

It also noted that Germany had no influence on the monetary policy of the ECB, and that trade policy was decided by the EU.

German Finance Minister Wolfgang Schäuble

sigmalive.com

Sri Lanka battles labor shortage amid massive building boom

uk.news.yahoo.com

Cheap Sri Lankan labor has built skyscrapers and condos across the Persian Gulf for decades but now contractors at home are desperate for workers as the island nation experiences an unprecedented construction boom.

The labor shortage has seen builders offer lavish incentives ranging from cash to vehicles to keep workers from heading overseas, and in some cases, illegally employ foreign tradesmen to man projects, AFP reported.

Sri Lanka was left with a massive reconstruction task at the end of the civil war in 2009, with large parts of the north left in ruins by decades of fighting.

Annual investment in new homes, roads and port — which has hovered at around 600 billion rupees ($4 billion) in recent years — is expected to almost triple to $11.6 billion in 2017.

But Sri Lanka needs 400,000 new workers — a two-thirds jump from existing levels — to keep up with this surge, said Nissanka Wijeratne, the head of the Chamber of Construction Industry.

"We can't get that many overnight and we will have to import. We are now facing a serious labor crisis," he said.

Private contractors are going to extreme lengths to stop the flow of tradesmen heading to the Persian Gulf for construction jobs, offering bonuses like motorcycles and cars to laborers who choose to work on projects back home.

The government has taken a different approach and sought to put curbs on migration by raising the minimum wage requirements for workers heading overseas.

Under their proposal, Sri Lankans will be barred from going abroad for work unless they can show evidence of future earnings amounting to more than $400 per month.

Major Currencies

Currency	To USD	Currency	To USD
Turkish Lira	0.2727	Chinese Yuan	0.1452
Euro	1.0718	UAE Dirham	0.2722
British Pound	1.2816	Kuwaiti Dinar	3.2831
Australian Dollar	0.7522	Iraqi Dinar	0.0008
Japanese 100 Yen	0.0920	Saudi Riyal	0.2666

Major Commodities

Crude Oil	$52.29	Silver	$18.20
Gold	$1286.70	Platinum	$981.00
Copper	$2.54	Wheat	$421.75