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Chinese Inflow from FDI's

The inflow of Foreign direct investment (FDI) into China recorded a 4% year-on-year increase of 87.57 billion yuan in January, according to Commerce Ministry data released today. In US dollar terms, the FDI inflow stood at US$12.68 billion in the same month, recording a 2.2% year-on-year increase. The previous month,3485 new foreign funded enterprises were established. Foreign investments in hightech industries increased by 27.9% which is around 31 billion yuan, a number which represents 35.8% of the total foreign direct investments as the data showed. Foreign investments from the Republic of Korea and Japan surged 157.1% and 50.2% respectively, while those from countries along the Belt and Road increased 31.3%. The Belt and Road Initiative is a global development strategy adopted by the Chinese government involving infrastructure development and investments in nearly 70 countries and international organizations in Asia, Europe, and Africa. While China is making efforts to overcome the coronavirus epidemy, the authorities have stressed efforts to help foreign funded companies to resume production and operation in an orderly manner.

Global Economic Disaster Risk

The coronavirus epidemy could ruin global economic growth this year, the IMF chief said, but is likely to follow a strong and rapid recovery. "There might be a decline that we still hope to be in the range of 0.1-0.2%"as the International Monetary Fund chief executive Kristalina Georgieva said at the World Forum of Women in Dubai. According to Georgieva, it is still "too early" to assess the full impact of the epidemy. However, she acknowledges that the epidemy has already affected sectors such as tourism and transport and as she said if the disease is rapidly reduced, there can be a sharp decline and a very rabid recovery, a phenomenon known as V-shaped impact. In other words, a major slowdown in the economic activity in China, followed by a very rapid recovery, thereby mitigating the overall impact on the world economy. According to the IMF chief, the trade agreement between the US and China - the first and second world economy - has reduced the impact of the disease on the international economy. But people should be concerned about "slow growth", which is caused by uncertainty. As she finally said we are now in a phase of low productivity growth, low economic growth and low interest rates and inflation

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New Turkish pound falling expectations

It is the second time in about a year that the Turkish central bank has put barriers to the amount by which domestic banks are secured by currency risks. Turkey hopes to curb speculative movements that invest in the Turkish pound fall. In the meantime, one dollar costs 6.05 pounds and one euro 6.55 writes Die Welt in its financial pages in an article entitled" New collapse threatens Turkish pound". The German newspaper refers to currency's expert statements Ulrich Loichtman by German Commerzbank who criticizes the Turkish Central Bank for populism and stresses that "once again we will hear the well-known tale of speculators and their exemplary punishment". For his part, Bayern specialist LB Wolfgang Kinner expects major pound exchange rate fluctuations next year, stating that "the Turkish pound is setting a new record high", believing it could lead to a new financial crisis despite the fact that in the recent period the Turkish economy has shown to recover. As the German expert points out, "the problem of foreign currency debt, especially in dollars, is rising as the Turkish pound depreciates." Many Turkish companies have borrowed dollars or euros. As the value of the Turkish pound falls, the harder to find the way to serve their debt and at worst they are threatened with a padlock. In addition, if Turkish pound collapses, this will not have only direct impact on the private economy, but also on the Turkish government, despite last year's budget deficit ranged to just 2.8%.

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