

U.S. Grants Waiver to Iraq to Buy Iranian Energy



Baghdad (Dispatches) - The U.S. envoy to Baghdad says Washington has exempted Baghdad from some of its unilateral anti-Iran sanctions, allowing Iraq to continue importing energy from

Iran. U.S. charge d'affaires Joey Hood has told reporters Baghdad can now buy energy from Iran, a report by Al-Alam news network said.

The waiver will allow Iraq to continue buying gas and electricity from Iran.

The administration of U.S. President Donald Trump said in March it was extending a 90-day waiver for the second time to let Iraq continue energy imports from Iran.

The U.S. envoy did not explain whether he was referring to the same waiver Washington gave Baghdad in March or he was declaring the issuance of new exemptions.

Gas imports from Iran generate as much as 45 percent of Iraq's 14,000 megawatts of electricity consumed daily. Iran transmits another 1,000 megawatts directly, making itself an indispensable energy source for its Arab neighbor.

Iraq and Iran share a 1,400-kilometer-long border. For their run-of-the-mill maintenance, Iraqis depend on Iranian companies for many things from food to machinery, electricity, natural gas, fruits and vegetables.

The Trump administration is pressing Iraq to stop buying natural gas and electricity from Iran, but Baghdad is pushing back against the pressure, The New York Times reported in February.

Asian Economies May Surpass U.S. Dominance

(Asia Times) - The past few weeks have been of immense historical importance in Japan. After Emperor Akihito's abdication at the end of April, having ascended the Chrysanthemum Throne in 1989, he is being succeeded by his elder son, Emperor Naruhito, Japan's 126th emperor, who is steering the country in a new era.

Akihito was regarded as something of a pioneer, urging Japan to be open to the outside world. At a ceremony marking 30 years of his reign earlier this year, he highlighted the importance of globalization: "As the world has been globalized, I think we are now required to be more open to the outside, establish our own position with wisdom and build relations with other countries sincerely."

Naruhito is set to follow in his father's footsteps, as the pro-globalization emperor. This stance is consistent with a speech made last year by another hugely influential Asian leader, Chinese President Xi Jinping, who said, "Sealing off and excluding others is not the correct choice ... China will not shut the door to the outside world but open more.... We're going to ensure the fruits of development are shared."

This open-minded, international approach by these Asian powerhouses is in stark contrast to that of U.S. President Donald Trump. He is vehemently anti-globalization, and his protectionist policies are being further stepped up.

As the trade war between the U.S. and China continues, Trump warned that tariffs on \$200 billion worth of goods would increase to 25% from 10%, overturning a decision made in February to maintain the 10% rate as a result of the progress made in negotiations between the world's two largest economies.

As a result of Trump's latest warning, global financial markets, which had forecast that a trade deal would be reached, nosedived. U.S. equity futures fell by more than 2%, and stocks across Asia declined, with China's main indices falling 5%.

As the inward-focused perspective by the U.S. intensifies, coupled with Asia's willingness to increase international alliances, it can be reasonably argued that the significant shift in the global sway of power and influence is certainly moving toward the east.

For well over a century the U.S. has been the world's largest economy, increasing to \$20.4 trillion in 2018. However, over the past decade, the influence of China's economy has thrived. A recent report by Standard Chartered predicts that Asian economies will grow substantially over the next 10 years, taking seven of the top 10 places on the list of the world's largest economies by 2030.

The report went on to say that China could take over from the U.S. at the top as early as next year, as analysts surveyed countries' purchasing power parity (PPP), exchange rates and nominal gross domestic policy.

The report's researchers stated that Asia would see major economic growth as economic output starts to match population size. "Our long-term growth forecasts are underpinned by one key principle: Countries' share of world GDP should eventually converge with their share of the world's population, driven by the convergence of per-capita GDP between advanced and emerging economies," the report states.

As such, as Emperor Naruhito begins his reign in the world's third-largest economy, and the ongoing shift in the world economies becomes more prominent, Asia looks to be edging ever closer to economic supremacy.

EU Economy Dragged Down by Germany as Manufacturing Slips



LONDON (Express) - The eurozone manufacturing sector slumped further into contraction territory in May, dragged down by a spluttering German economy which also slipped further into the red.

The single currency zone has seen its factory activity levels slip for the fourth month in a row, according to new data from IHS Markit's flash Purchasing Managers' Index. The manufacturing PMI fell from the 47.9 recorded in April to 47.7 for this month. Slowing global demand, Brexit uncertainty and ongoing weakness in Germany are believed to have been behind the further drop into recession. Germany sparked further concerns about the state of its car industry, which has taken a toll in recent months from dented sales, as its manufacturing sector also declined for May.

The manufacturing PMI fell to 44.3 from the 44.4 in April. It marks the fifth monthly read-

ing in a row below the 50 mark that separates growth from contraction.

The flash services PMI fell to 55.0 from 55.7 in the previous month, its first drop after four straight rises.

German business morale also deteriorated more than expected this month due mainly to a plunge in services sector confidence, an Ifo Institute survey showed.

For the eurozone as a whole, business activity came in weaker than expected, attributed to the deepening contraction in factory activity.

IHS Markit's Flash Composite Purchasing Managers' Index (PMI), which is considered a good guide to economic health, only nudged up to 51.6 this month from a final April reading of 51.5.

Morgan Stanley economists wrote to clients: "It's not only that current growth is brittle, as the surveys suggest.

Indian Stock Market Hits Record High Amid Celebrations of Modi's Likely Return

NEW DELHI (Dispatches) - The Indian stock market has surged with a record high as early trends showed a massive victory for Prime Minister Narendra Modi's National Democratic Alliance (NDA) in early vote counting in the world's largest democracy.

The Bombay Stock Exchange (BSE) Sensex, in a first, crossed the 40,000-mark after climbing around 1,000 points, while NSE Nifty touched the 12,000-level in early trading.

Investor sentiment has been buoyant since exit polls predicted a stable government and comeback of the Narendra Modi-led government for a second-term. The rupee and sovereign bonds have also strengthened in the early trading. The rupee strengthened to 69.40 against the U.S. dollar which is its highest in the last three months.

Facebook Plans to Launch 'GlobalCoin' Currency in 2020



NEW YORK (Dispatches) - Facebook is planning to set up a digital payments system in about a dozen countries by the first quarter of 2020.

The social media giant wants to start testing its crypto-currency, which has been referred to internally as GlobalCoin, by the end of this year.

Facebook is expected to outline plans in more detail this summer, and has already spoken to Bank of England governor Mark Carney.

Founder Mark Zuckerberg met Mr Carney last month to discuss the opportunities and risks involved in launching a crypto-currency.

Facebook has also sought advice on operational and regulatory issues from officials at the US Treasury.

The firm is also in talks with money transfer firms including Western Union as it looks for cheaper and faster ways for people without a bank account to send and receive money.

U.S. Repeatedly Urged South Korea to Join Anti-Huawei Campaign - Reports

SEOUL (Sputnik) - The United States has repeatedly called on South Korea to join a campaign against Chinese telecommunications giant Huawei by avoiding using its products in the wake of Washington's decision to add the company to the list of companies considered as a threat to the U.S. national security.

"The U.S. keeps telling the Foreign Ministry through various diplomatic channels that using Huawei products could



create security problems," the Chosun Ilbo newspaper re-

ported on Thursday, citing a diplomatic source.

According to the media outlet, a U.S. State Department official has recently met a South Korean Foreign Ministry official, with the two sides having discussed the use of Huawei-made equipment by South Korean operator LG Uplus. The United States, in particular, insisted that the activity of the mobile operator must be restricted in certain areas in South Korea, presumably where US military facilities are located.

Japan Downgrades Reviews on Its Economy



TOKYO (Dispatches) - Japanese government on Friday downgraded its assessment of the economy, adding to signs that China's economic slowdown amid its trade conflict with the United States has been weighing on production and exports.

"The Japanese economy is recovering at a moderate pace while weakness in exports and industrial production continues," the Cabinet Office said in a monthly report.

It maintained its view that the economy is seeing a moderate recovery on improving employment conditions and robust corporate earnings, but slightly changed its wording on exports and production from the previous report. It had said last month that "weakness is seen recently in exports and industrial production in some sectors."

The downgrading followed a

lowered assessment in March, when the Cabinet Office cut the headline assessment for the first time in three years.

Looking ahead, the latest report warned that "further attention should be given" to the fallout for the world economy from the U.S.-China trade war.

Earlier this month, the Cabinet Office said in a different assessment that the world's third-largest economy has been "worsening." The expression was employed for the first time in more than six years.

The wording, used in assessing the coincident index of business conditions for March, could be seen as signaling that the economy is heading into recession.

The coincident index of business conditions for March fell 0.9 point from the previous month to 99.6 against the 2015 base of 100.