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Coal prices fall to 12-year lows as China, India join demand slowdown

Coal futures have fallen to 12-year lows, hit by soaring production and a slowdown in global buying, including from India and China which until recently have been pillars of strong demand.Benchmark API2 2016 coal futures last settled at $52.85 a tonne, a level not seen since November 2003. The contract is now over 75 percent below its 2008 all-time peak and more than 60 percent below its most recent high following the 2011 Fukushima nuclear disaster in Japan.

The steady and sharp fall in coal prices has knocked down shares of big mining companies like BHP Billiton, Glencore and Rio Tinto, and it has seen many financers exit the sector.The price fall follows a rise in output from exporters like Australia at the same time as a sharp slowdown in overseas orders from major importers like the United States, and now also China and India."Indian coal imports are now under pressure ... Both thermal and met coal imports ran at their weakest annualised rates since October 2014," Australian bank Macquarie said on Wednesday."Such a fall might not be just a temporary blip. On the thermal coal side we have seen power plant inventories reach record high levels, domestic production growth improvesignificantly and demand growth slow," it added.

Thermal coal is used in power plants while metallurgical coal is used to make iron ore.Demand from China has also slowed as its economy grows at its slowest pace in decades and the government has started a fight against rampant pollution, to which coal contributes significantly.In the United States, soaring natural gas from shale formations has made gas much cheaper, eating into coal's U.S. power generation share, and the government also plans to move away from coal for environmental reasons.Demand in Europe has been flat as energy efficiency improves, renewables take increasing shares of the power mix and many of its economies struggle to grow.Yet at some point the low coal prices could also start to stimulate demand as it has made the fuel super-competitive against its main competitor, natural gas.calculations show that the revenues from selling electricity generated from coal in Germany are around 20 euros per megawatt-hour higher than those produced from natural gas.Emerging markets which have yet to provide blanket electricity to its households and need cheap energy to develop their industry also still mostly rely on coal as their main fuel as they prioritize low costs over environmental concerns.

Ninety sessions to be held at 2015 Public Forum of WTO

A total of 90 sessions will be held at the 2015 WTO Public Forum from 30 September to 2 October at the WTO's headquarters in Geneva. Entitled “Trade Works”, the Forum will focus on how and why trade works, and for whom. The sessions will be organized by a wide range of participants, including WTO members, businesses, non-governmental organizations, academia, law firms and international organizations.

The sessions will be organized by a wide range of participants, including WTO members, businesses, non-governmental organizations, academia, law firms and international organizations. Topics for debate include how trade can help reduce economic gaps between developed and developing countries, how trade provides legal guarantees for traders, how trade fosters global integration, and how intellectual property rights function for global trade.

The Forum will also feature two high-level plenary debates on 30 September.For the first time, a women-only panel will open the Public Forum to discuss “Making Trade Work More Inclusively”. The debate will look at how international trade can close the gaps between countries, how trade contributes to socio-economic development, and how trade policy should be shaped at the multilateral level.In the second plenary debate, entitled “Making Trade Work for Business”, the speakers will exchange views on how trade policy should be used to address global challenges, how trade can work better and where the WTO can do more for the private sector, now and in the next 20 years.

Foreign banks startled by new black money law; stepped up vigilance

NEW DELHI: Banks overseas, spooked by India's stringent new black money law, are asking tough questions of people and entities from the country looking to open accounts with them. That's because it's not just those who possess unaccounted wealth who will get punished, those found guilty of helping them move that money also face harsh action under the law that went into force earlier this year.

The Modi government's pursuit of black money comes as countries sign global agreements and tax treaties. These agreements include provisions for cooperation on evasion.

That's persuaded a number of overseas financial institutions to reach out to local experts to vet prospective customers. Given the reduced global tolerance for evasion, banks are likely to face closer scrutiny relating to customers' tax residential status, legal and beneficial ownership of accounts, and their use of power of attorney. Such intermediaries are asking for income tax returns, sources of funds and other related information to ensure all foreign transactions are above board, said a banker familiar with the development.The new law "has caused concerns amongst intermediaries such as banks and consultants... especially considering that the law does not provide for detailed guidelines on what could be considered abetment and what precautions would be necessary for such intermediaries," said Rajesh H Gandhi, partner, tax, Deloitte Haskins & Sells LLP. "One would expect financial intermediaries like banks, including foreign banks to put in place a more stringent due diligence and KYC process for on-boarding customers of Indian origin as well as ask for more documentation from existing customers."

Group of Twenty IMF Note — G-20 Finance Ministers and Central Bank Governors Meeting

Global growth remains moderate, reflecting a further slowdown in emerging economies and a weak recovery in advanced economies. In an environment of rising financial market volatility, declining commodity prices, weaker capital inflows, and depreciating emerging market currencies, downside risks to the outlook have risen, particularly for emerging markets and developing economies.

Global growth in the first half of 2015 was lower than in the second half of 2014, reflecting a further slowdown in emerging economies and a weaker recovery in advanced economies. In advanced economies, weaker exports, partly reflecting temporary factors, and a slowdown in domestic demand were key factors. Productivity growth has been persistently weak. In emerging economies, the slowdown reflects a continuation of the adjustment after the investment and credit boom post-crisis, together with the fallout from declining commodity prices, geopolitical tensions, and conflict in a number of countries. In advanced economies, economic activity is projected to pick up modestly in the 2nd half of the year and into 2016. In emerging economies growth this year is projected to slow again relative to 2014; some rebound is projected next year, as conditions in distressed economies, while remaining difficult, are projected to improve.

Financial conditions for emerging economies have tightened. In an environment of rising financial market volatility, dollar bond spreads and long-term local currency bond yields have increased relative to the spring, stock prices have weakened, and capital inflows have declined. Emerging market currencies have generally depreciated, reflecting weakening commodity prices, concerns about the growth transition in China, an increase in risk aversion, and expectations of a lift-off in policy rates in the United States. In contrast, financial conditions in advanced economies continue to be easy. On the back of weak demand, safe real interest rates remain low, despite some widening of spreads, even as the policy rate lift-off approaches in the United States.

Risks are tilted to the downside, and a simultaneous realization of some of these risks would imply a much weaker outlook. Near-term downside risks for emerging economies have increased, given the combination of China's growth transition, lower commodity prices, potential adverse corporate balance sheet and funding challenges related to a dollar appreciation, and capital flow reversals and disruptive asset price shifts.

Strong mutual policy action is needed to raise growth and mitigate risks:

Advanced economies should maintain supportive policies. In most advanced economies substantial output gaps and below-target inflation suggest that the monetary stance must stay accommodative. Fiscal policy should remain growth friendly and be anchored in credible medium-term plans. Managing high public debt in a low-growth and low-inflation environment remains a key challenge.

In many emerging economies, policy space to support growth remains limited. The commodity price declines over the past year have alleviated inflation pressures and mitigated external vulnerabilities in net commodity importers, but increased external and fiscal vulnerabilities in commodity exporters. Oil exporters that have accumulated savings and have fiscal space can let fiscal deficits increase and allow a more gradual adjustment of public spending. For floaters with less policy space, exchange rate flexibility will be a critical buffer to the shock. This may require improving macroeconomic policy frameworks in some countries and keeping balance sheet exposures manageable.

Decisive structural reforms are needed to raise potential output and productivity across the G-2members. Labor market reforms in advanced economies undergoing population aging should aim at raising labor participation, and actions to increase labor demand and remove impediments to employment are also needed in euro area economies and some emerging markets. Reforms to improve the functioning of product markets are also needed in Japan and the euro area, and reforms to improve productivity and raise potential output are key in many emerging economies. Joint policy efforts by deficit and surplus economies are needed to reduce excess imbalances while sustaining growth.

Will the crisis in China sink the U.S. economy?

With China a much bigger factor in global growth than in recent decades, investors are terrified of a slowdown.

Another day and another bit of bad news from China has sent stock markets stateside tumbling.Data showing that activity in China's manufacturing sector during August contracted at the fastest rate in three years. The news sent the S&P 500 falling more than 3%, after stock markets in Europe and Asia posted steep losses as well.

The recent volatility in the U.S. markets is being chalked up to fears that the situation in China is only going to get worse. “Clearly this is showing us we're not out of the woods by any means,” Jonathan Corpina, senior managing partner at Meridian Equity Partners, told The Wall Street Journal.

Analysts are increasingly worried about the situation in China in part because the global economy has grown increasingly interconnected. When economist David Levy predicted in October that the Chinese economy would blow up, and likely bring the rest of the world with it, he pointed out that 30% of the jobs created in the U.S. since the Great Recession were export-dependent.

Meanwhile, the share of economic growth coming from emerging markets has increased markedly over the past 20 years. Back in the late 1990s, emerging markets accounted for 20% of global GDP; now it's 40%. And during this decade, China has accounted for a third of global growth, compared to just 17% for the United States. Given this change, Ruchir Sharma, head of emerging markets and global macro at Morgan Stanley Investment Management, has argued that China is now the “critical link” needed to power a prosperous global economy.

There's no doubt that a slowdown in China will seriously crimp global growth, given the role the world's second largest economy has played in recent years. But will the U.S. economy get dragged down with it?

Belize, Switzerland ratify Trade Facilitation Agreement

Concluded at the WTO's 2013 Bali Ministerial Conference, the TFA contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for technical assistance and capacity building in this area.

The TFA will enter into force once two-thirds of the WTO membership has formally accepted the Agreement. In addition to Belize and Switzerland, the following members have ratified the Agreement: Niger, Nicaragua, Trinidad and Tobago, the Republic of Korea, Hong Kong China, Singapore, the United States, Mauritius, Malaysia, Japan, and Australia.

The TFA broke new ground for developing and least-developed countries in the way it will be implemented. For the first time in WTO history, the requirement to implement the Agreement was directly linked to the capacity of the country to do so. In addition, the Agreement states that assistance and support should be provided to help them achieve that capacity.

A Trade Facilitation Agreement Facility (TFAF) was also created at the request of developing and least-developed country members to help ensure that they receive the assistance needed to reap the full benefits of the TFA and to support the ultimate goal of full implementation of the new agreement by all members.

WHO, WIPO and WTO to reflect on lessons of 20 years of TRIPS and public health

At the historic juncture of the 20th anniversary of the WTO and of the TRIPS Agreement, this fifth trilateral symposium endeavours to review the information base on access and innovation in medical technologies and to identify possibilities and limitations for better integrating data in support of policy makers' future work.

Different expectations and concerns were associated with the entry into force of the TRIPS Agreement 20 years ago. While some had hoped for a major boost to innovation due to extended protection of intellectual property, others had been concerned with an adverse effect on access to IP-protected products, particularly medicines. The symposium reviews selected data and looks at practical ways in which the twin challenges of innovation and access have been addressed.

In 1996, the World Health Assembly adopted a resolution that requested WHO to report on the impact of the work of the WTO on medicines policies and make recommendations for collaboration between WTO and WHO (WHA49.14). In the following years, the public debate about intellectual property and public health grew in intensity, leading, among other developments, to the adoption of the WTO Doha Declaration on the TRIPS Agreement and Public Health in November 2001. WTO, WIPO and WHO stepped up their collaboration over the years, particularly since 2010 when the first trilateral symposium was held.

A common feature of ongoing discussions on intellectual property and public health in many different fora, is that solid data and facts are often missing. Time has therefore come to take stock of the experience of improving access to IP-protected medical technologies by reviewing selected data and case studies. The symposium will thus attempt to present data on the complex relationship between trade in medical technologies, patents, innovation and access, including the role of TRIPS flexibilities and recent experience with the use of compulsory licenses and voluntary license agreements. In so doing, the symposium is expected to contribute to assisting governments and other interested parties in well-informed, evidence-based policy making.Participants are expected to be Geneva-based delegations to the WHO, WIPO and WTO, representatives of international, philanthropic and civil society organizations, as well as experts on IP, innovation, health and access to medicines.

The symposium will be held in English only; no interpretation will be available. Subject to availability of space, participation is open to all interested individuals and organizations. Registered participants without UN or WTO accreditation need to bring official identification.

US Trade deficit

The U.S. Census Bureau and the U.S. Bureau of Economic Analysis, through the Department of Commerce, announced that the goods and services deficit was $41.9 billion in July, down $3.3 billion from $45.2 billion in June, revised. July exports were $188.5 billion, $0.8 billion more than June exports. July imports were $230.4 billion, $2.5 billion less than June imports.

The July decrease in the goods and services deficit reflected a decrease in the goods deficit of $3.4 billion to $61.4 billion and a decrease in the services surplus of less than $0.1 billion to $19.6 billion.

Year-to-date, the goods and services deficit increased $10.6 billion, or 3.6 percent, from the same period in 2014. Exports decreased $47.0 billion or 3.5 percent. Imports decreased $36.4 billion or 2.2 percent.

Three-Month Moving Averages goods and services deficit decreased $0.1 billion to $43.2 billion for the three months ending in July. Average exports of goods and services decreased $0.2 billion to $188.0 billion in July. Average imports of goods and services decreased $0.3 billion to $231.2 billion in July.

Year-over-year, the average goods and services deficit increased $1.3 billion from the three months ending in July 2014. Average exports of goods and services decreased $8.6 billion from July 2014 and Average imports of goods and services decreased $7.3 billion from July 2014.