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World Economic Outlook Update by IMF shows Subdued Demand, Diminished Prospects

Global growth, currently estimated at 3.1 percent in 2015, is projected at 3.4 percent in 2016 and 3.6 percent in 2017. The pickup in global activity is projected to be more gradual than in the October 2015 World Economic Outlook (WEO), especially in emerging market and developing economies.In advanced economies, a modest and uneven recovery is expected to continue, with a gradual further narrowing of output gaps. The picture for emerging market and developing economies is diverse but in many cases challenging. The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large emerging market economies will continue to weigh on growth prospects in 2016–17. The projected pickup in growth in the next two years—despite the ongoing slowdown in China—primarily reflects forecasts of a gradual improvement of growth rates in countries currently in economic distress, notably Brazil, Russia, and some countries in the Middle East, though even this projected partial recovery could be frustrated by new economic or political shocks.

Risks to the global outlook remain tilted to the downside and relate to ongoing adjustments in the global economy: a generalized slowdown in emerging market economies, China's rebalancing, lower commodity prices, and the gradual exit from extraordinarily accommodative monetary conditions in the United States. If these key challenges are not successfully managed, global growth could be derailed.

Analysis: Behind the global stock market plunge of 2016

China is shifting from an economy reliant on exports and infrastructure building, to one based on consumption .Global equity markets have been on a rollercoaster ride since the opening sessions of 2016. The violent lurch lower in stocks was initially triggered by fears that an economic slowdown in China, the world's second largest economy, was spinning out of control.But it was the spectacular collapse in oil prices that really lent impetus to the January sell-off."Fear, not economic fundamentals, sparked the frenzied sell-off in China as the new year got under way which then spread to global markets and the oil price slide has compounded the pessimism," said Beijing-based economist Chen Chen, at the Economist Intelligence Unit.

China is in the midst of a shift from an economy reliant on exports and an infrastructure building binge to one based on economic consumption, and as a result asset prices around the globe are being revalued.The world's largest consumer of metals and second biggest buyer of oil posted its lowest annual growth in a quarter of a century in 2015.It is not the slowdown itself that is posing the problem, say economists, but a lack of clarity over how the slowdown is being managed.

Speaking at the World Economic Forum in Davos, the IMF managing director Christine Lagarde described the Chinese transition as a communication challenge. Mark Williams, chief China economist at Capital Economic, said the credibility of China's policymakers had been badly damaged by their "inept" interference in the equity market and their failure to communicate changes in currency policy.According to Williams, the competence of the Chinese leadership matters, given the difficulty of the task it faces in steering the economy. And it is that uncertainty or fear which is sparking a chain reaction in stock markets around the globe

Emerging Markets Lose Share In Global Wealth

EMERGING markets have given the global economy most of its muscle since the recession ended in 2009. But in 2016 rich countries will account for their largest share of global growth this decade. The BRICs are in a sorry state. Brazil's government has been both incompetent and corrupt. Russia's has been no better, with a dose of military malevolence thrown in. China will perform reasonably well in 2016—if you believe the government's numbers. By that reckoning, its GDP will rise by around 6.5%. The reality almost certainly will be lower. China is mired in debt and has mismanaged its currency and stock markets, sending shocks through the global economy. India looks perkier: it will grow by more than 7%. But that is worse than its average of 8.5% growth between 2005 and 2010. All said, the BRICs will make up only 16% of worldwide growth in 2016.Against all this, the rich world will look solid, if unspectacular. America's economy will expand by around 2.5%, and the American jobs machine will crank out at least 2m new positions for a sixth straight year—the first time that has happened since the 1990s. Europe will no longer be threatened by recession or deflation, and the euro zone's most obvious time-bomb, Greece, has been defused for now.The world economy as a whole is forecast to grow by 2.7% in 2016, and it hasn't managed an increase of more than 3% since 2011. Save for America, 2016 will be another year of repair, recovery, reform and risk for most countries

China registers weakest growth in 25 years

Amid global market jitters, China has posted its weakest annual economic growth in a quarter century.Gross domestic product expanded by 6.9% in 2015, China's National Bureau of Statistics said Tuesday. That's in line with the median estimate from economists surveyed by CNNMoney.The growth rate is a far cry from China's spectacular expansion in recent decades, but it broadly matches the government's 7% target.For the fourth quarter of 2015, the economy grew 6.8%, compared with the same period a year earlier. That's a touch below economists' estimate of 6.9% and the slowest rate since the dark days of the financial crisis in 2009.

After years of torrid expansion, the world's second-largest economy is now decelerating. The government is trying to shift the growth engine away from manufacturing and debt-fueled investment toward the services sector and consumer spending.Uncertainty over the outlook for the Chinese economy, a key driver of global growth, has roiled international markets lately. China isn't buying as many commodities as it once did, and the world is awash with oil -- hurting exporters. The country's currency, the yuan, has fallen against the dollar.

But the growth data released Tuesday didn't appear to trouble investors. The Shanghai Composite was broadly flat in morning trade and later rallied to close up 3.2%. The Hang Seng in Hong Kong gained 2.1%.Some observers doubt the accuracy of China's GDP numbers, arguing they are massaged by government officials. Instead, they look at statistics including electricity consumption, railway freight volume and bank loans to gauge growth.

"China's ability to continue to post such rapid and relatively stable growth, even as it has increasingly become a source of volatility in global equity and commodity markets, will undoubtedly attract a great deal of skepticism," said Julian Evans-Pritchard of Capital Economics. Instead of 6.8%, Evans-Pritchard estimates growth in the fourth quarter was in reality closer to 4.5% -- but stable."We still think concerns about China's outlook are overdone and that the recent market volatility has been driven more by sentiment than by economic fundamentals," he said.

China's official growth numbers are expected to slow further in the coming years, a situation President Xi Jinping has dubbed "the new normal."For 2016, economists are forecasting growth of 6.5%, according to the CNNMoney survey. That's the rate top Chinese officials say is needed to reach the government's goal of doubling the economy from 2010 levels to $12 trillion by 2020.

Global Tempreture

This January was the warmest January on record by a large margin while also claiming the title of most anomalously warm month in 135 years of record keeping. The month was 1.13°C — or just a smidge more than 2°F — above normal. That tops December's record of being 1.11°C — or just a smidge below 2°F — above average.It marks the fourth month in a row where the globe has been more than 1°C (1.8°F) above normal. Incidentally, those are the only four months where the globe has topped that mark since record keeping began.

Large swaths of the globe were painted red by warmth to the point where it's easier to talk about where the heat wasn't (that would be Antarctica, Scandinavia, East Africa and a few parts of Russia for the record). The telltale signal of El Niño's heat in the Pacific continues to be notable, but it's the Arctic that truly stands out as the most abnormally warm place on the planet.

According to NASA, temperatures in some parts of the Arctic averaged up to 23°F above normal for the month. No, that's not missing a decimal point.The extreme warmth in the region sent sea ice dwindling to a new record low for January. Sea ice extent was 402,000 square miles below average, according to the National Snow and Ice Data Center. That's the equivalent of a missing area of sea ice almost four times the size of Colorado, and puts this year right in line with a trend of ever decreasing sea ice in the region as the climate warms.

Since 1979, winter sea ice extent has decreased 3.2 percent per decade (the loss is much more pronounced in summer at a rate of 13.4 percent per decade). Arctic sea ice through Feb. 3, 2016 shows the record low sea ice extent in January. February has seen sea ice continue to trend in record low territory.The first half of February has continued the trend of pronounced heat in the Arctic with no signs of it letting up soon. The western U.S., which was also a hot spot in January, is continuing to see abnormal warmth this February as is the East Coast after a brief cold blast this weekend. Global heat is somewhat a symptom of El Niño. The climate phenomenon of warm water in the eastern tropical Pacific might have passed its peak, but is still providing a little boost to global temperatures. The big driver, though, is human-caused climate change, according to a Climate Central analysis.

With January off to record heat, it reinforces the likelihood that 2016 could be yet another record-setting year. The U.K. Met Office has already released its forecast for 2016. It expects the globe to "be at least as warm, if not warmer" than 2015, according to Chris Folland, a Met Office research fellow. If 2016 sets another global temperature record, that would make it back-to-back-to-back years of record setting hot temperatures. That's never happened before. And regardless of whether 2016 sets a record or not, some scientists think the world has stepped up to a new period of global warming. That doesn't mean every year will set a record, but "it seems to me quite likely that we have taken the next step up to a new level," National Center for Atmospheric Research climate scientist Kevin Trenberth told Climate Central last month

European Communities — Definitive Anti-Dumping Measures on Certain Iron or Steel Fasteners from China

On 31 July 2009, China requested consultations with the European Communities concerning Article 9(5) of Council Regulation (EC) No. 384/96 (the EC's Basic Anti Dumping Regulation) which provides that in case of imports from non-market economy countries, the duty shall be specified for the supplying country concerned and not for each supplier and that an individual duty will only be specified for exporters that demonstrate that they fulfil the criteria listed in that provision.

China also requests consultations regarding Council Regulation (EC) No 91/2009 imposing definitive anti-dumping duties on imports of certain iron or steel fasteners originating in the People's Republic of China. China considers that the imposition of definitive anti-dumping duties on imports of certain iron or steel fasteners originating in the People's Republic of China is inconsistent with the European Communities' obligations under:

Articles VI and X:3(a) of the GATT 1994; In addition, China also refers to Articles 9.3 and 12.2.2 of the Anti-Dumping Agreement.

China claims that the European Communities acted inconsistently with various procedural obligations in the Anti Dumping Agreement. China also claims that the European Communities has acted inconsistently with its obligations under the Anti-Dumping Agreement, the GATT 1994, and the Protocol of Accession through the application of Article 9(5) of the Basic Anti-Dumping Regulation in this investigation as well as decisions and determinations made in the investigation relating to, inter alia, the scope of the like product, the extent of the domestic industry, the conduct of the injury analysis and the lack of price comparability adjustments made in the calculation of the anti-dumping margin.

India — Certain Measures Relating to Solar Cells and Solar Modules

On 6 February 2013, the United States requested consultations with India concerning certain measures of India relating to domestic content requirements under the Jawaharlal Nehru National Solar Mission ("NSM") for solar cells and solar modules.

The United States claims that the measures appear to be inconsistent with:

- Article III:4 of the GATT 1994;
- Article 2.1 of the TRIMs Agreement; and
- Articles 3.1(b), 3.2, 5(c), 6.3(a) and (c), and 25 of the SCM Agreement.

The United States also claims that the measures appear to nullify or impair the benefits accruing to the United States directly or indirectly under the cited agreements. On 13 February 2013, Japan requested to join the consultations. On 21 February 2013, Australia requested to join the consultations. On 10 February 2014, the United States requested supplementary consultations concerning certain measures of India relating to domestic content requirements under "Phase II" of the Jawaharlal Nehru National Solar Mission ("NSM") for solar cells and solar modules. On 21 February 2014, Japan requested to join the consultations. On 14 April 2014, the United States requested the establishment of a panel. At its

At its meeting on 23 May 2014, the DSB established a panel. Brazil, Canada, China, the European Union, Japan, Korea, Malaysia, Norway, the Russian Federation and Turkey reserved their third party rights. Subsequently, Ecuador, Saudi Arabia and Chinese Taipei reserved their third party rights. Following the agreement of the parties, the panel was composed on 24 September 2014.

On 24 March 2015, the Chair of the panel informed the DSB that the panel expects to issue its final report to the parties by late August 2015, in accordance with the timetable adopted after consultation with the parties.On 24 February 2016, the panel report was circulated to Members.The claims brought by the United States concern domestic content requirements (DCR measures) imposed by India in the initial phases of India's ongoing National Solar Mission. These requirements, which are imposed on solar power developers selling electricity to the government, concern solar cells and/or modules used to generate solar power.The Panel found that the DCR measures are trade-related investment measures covered by paragraph 1(a) of the Illustrative List in the Annex to the TRIMs Agreement. The Panel found that this suffices to establish that they are inconsistent with both Article III:4 of the GATT 1994 and Article 2.1 of the TRIMs Agreement. The Panel decided nonetheless to assess the parties' additional arguments under Article III:4 of the GATT 1994, and found that the DCR measures do accord "less favourable treatment" within the meaning of that provision.

Concerning the government procurement derogation in Article III:8(a) of the GATT 1994, the Panel found that the DCR measures are not distinguishable in any relevant respect from the domestic content requirements previously examined under this provision by the Appellate Body in Canada — Renewable Energy / Feed-In Tariff Program. Following the Appellate Body's interpretation of Article III:8(a) of the GATT 1994 in that case, the Panel found that the discrimination relating to solar cells and modules under the DCR measures is not covered by the government procurement derogation in Article III:8(a) of the GATT 1994. In particular, the Panel found that the electricity purchased by the government is not in a "competitive relationship" with the solar cells and modules subject to discrimination under the DCR measures.

India argued that the DCR measures are justified under the general exception in Article XX(j) of the GATT 1994, on the grounds that its lack of domestic manufacturing capacity in solar cells and modules, and/or the risk of a disruption in imports, makes these "products in general or local short supply" within the meaning of that provision. The Panel found that the terms "products in general or local short supply" refer to a situation in which the quantity of available supply of a product, from all sources, does not meet demand in a relevant geographical area or market. The Panel also found that the terms "products in general or local short supply" do not cover products at risk of becoming in short supply, and found that in any event India had not demonstrated the existence of any imminent risk of a short supply. The Panel therefore found that India failed to demonstrate that the challenged measures are justified under Article XX(j).

India argued that the DCR measures are also justified under Article XX(d) of the GATT 1994, on the grounds that they secure India's compliance with "laws or regulations" requiring it to take steps to promote sustainable development. The Panel considered that international agreements may constitute "laws or regulations" within the meaning of Article XX(d) only insofar as they are rules that have "direct effect" in, or otherwise form part of, the domestic legal system of the Member concerned. The Panel found that most of the instruments identified by India did not constitute "laws or regulations" within the meaning of Article XX(d), or were not laws or regulations in respect of which the DCR measures "secure compliance". Therefore, the Panel found that India failed to demonstrate that the challenged measures are justified under Article XX(d).