EP

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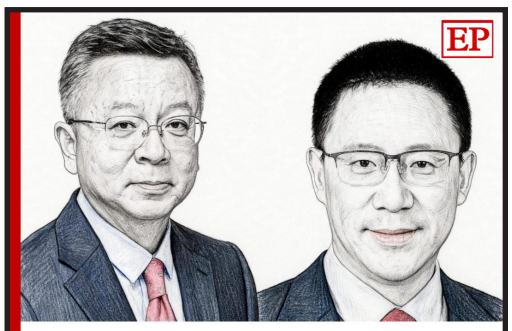
## BRIEF



BRIEF. EUROPEAN PARLIAMENT

**EU Parliament Proposes €194 Billion Budget for 2027 Ahead of Council Talks**

The European Parliament is recommending a €194 billion European budget for 2027, the last year of this five-year long budget cycle. The plan is to reiterate priorities of the EU in the run-up to negotiations with member states. Official EU link for details.



BRIEF. IMF

**IMF Chief Proposes China's Vice Finance Minister Min Liao to Replace Deputy Managing Director Bo Li**

Deputy Managing Director Bo Li will step down on November 30, 2026, when his term ends, according to Managing Director Kristalina Georgieva of the International Monetary Fund (IMF). She proposed Min Liao (Vice Minister of Finance of the People's Republic of China) to replace him as DMD as of 1st December 2026



BRIEF. TREASURY DEPARTMENT

**Trump White House Touts Record Economy - Lowest Poverty Ever, $87,460 Median Income in 2025**

US Treasury graphic states that President Trump brought the lowest poverty rate ever in 2025, as real median household income reached a record high of $87,460, or a 1.5% increase.



BRIEF. EUROPEAN COMMISSION

**63% of European SMEs Adopt or Plan to Use AI and Advanced Manufacturing**

According to the Flash Eurobarometer data, 63% of European SMEs and mid-cap firms already use or intend to use AI and Advanced Manufacturing 42% and 21% respectively reflecting the fast digitalization process of European businesses in upcoming years.

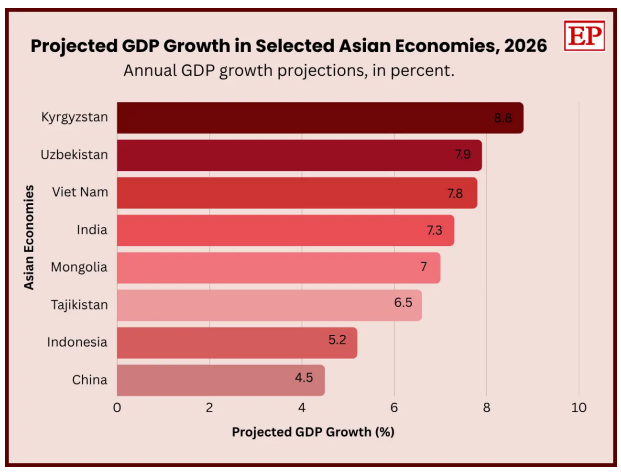
# Kyrgyzstan, Uzbekistan Lead Selected Asian Economies in 2026 Growth Forecasts

Asia will account for 59% of global growth in 2026, affirming Asia's role in the global economy as identified in the United Nations Conference on Trade and Development (UNCTAD) projection. The forecasts constitute a mixed regional growth landscape with many emerging economies having high expected growth.

Kyrgyzstan is the economy that is forecast to grow the fastest at 8.8%, followed by Uzbekistan at 7.9% and Viet Nam at 7.8%. India is expected to grow 7.3%, while Mongolia's forecast is at 7.0%. Tajikistan is forecast to grow by 6.6%, whereas Indonesia will grow by 5.2% and China by 4.5%.

**Emerging Economies Keep the Growth Train Moving in Asia**
While the pace of growth of these nations cannot be compared to the fast convergence expected in the major Asian economies, they could nevertheless contribute to regional output and domestic demand growth and create new trade and investment opportunities. However, growth rates alone are not sufficient to capture differences in size, productivity, or distribution of benefits.

**Converting Growth into More Inclusive Economic Development**
In terms of the contributions made by Asia to global economic growth, it is pertinent to consider how sustainable this growth would be in the future. Infrastructure spending, job creation, productivity increases, and participation in international markets are some factors that would affect the sustainability of the projected growth. Policymakers have the task of turning such impressive headline growth into better standards of living and increased economic resilience. While the increasing share of Asia in world output is an important development, continued growth will depend upon improving the economy's productive capacity and broadening the benefits from growth.




**Data sources: UNCTAD**

| **Trade and Development Report 2026**

# US Industrial Output Clocks 0.7% Gain: Is Utility Boom Driving Growth?

**Industrial Output Boosted**
Industrial production increased by 0.7% in September after a small rise in August of 0.1%. Overall industrial production is up by 2.2% when compared with last year, according to the latest G.17 report by the Federal Reserve. Industrial output rose by 2.8% year-on-year in the third quarter. The biggest growth came within the utilities sector, which grew by 3.5%. However, manufacturing grew by only 0.3% while mining grew by just 0.2%. This indicates there is still some volatility in the data with utility production growing much higher than manufacturing and mining production throughout the country.

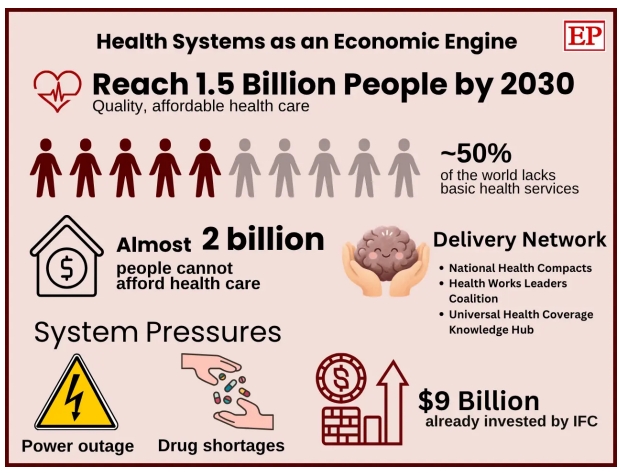
**Capacity Utilization Indicates Room for Growth**
Capacity utilization rose to 76.9% in September, showing that industries are making greater use of their capacity. Nevertheless, it remains in deficit of 2.5% compared to the longer-term average. Utilities experienced good growth during the month. The manufacturing sector grew more slowly. Mining only saw a slight increase in production. This suggests there is room for growth within US industries; however, it will look at whether they are seeing growth across all sectors. If manufacturing, mining, and utilities see continued growth, then we can determine how strong the growth is.

# World Bank Aims to Deliver Quality Healthcare to 1.5 Billion by 2030, Boosting Economies

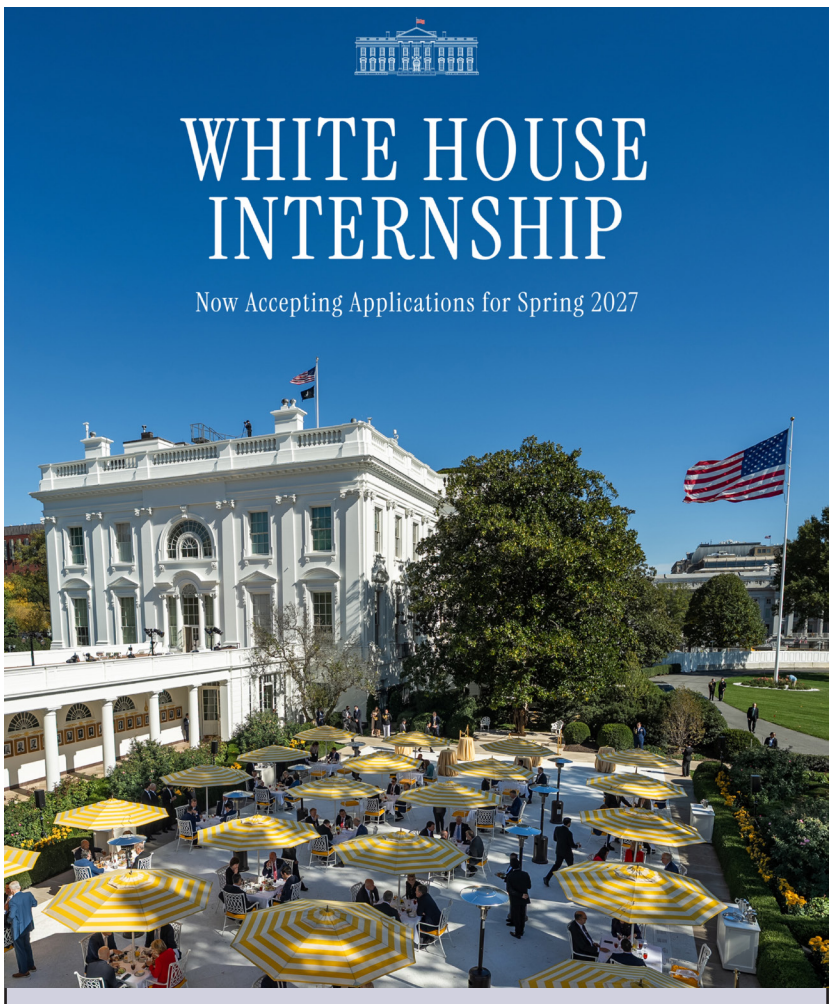
**Health Systems as an Economic Engine**
The Group of the World Bank committed to providing good quality and affordable health care to 1.5 billion people by the year 2030 by stating that it is the weak health systems that are the obstacles to the economy just as much as they are harmful for the people. The lack of basic health services affects around 50% of the world population. In addition, almost 2 billion people are not able to afford health care services. In case hospitals are not working properly because of power outages and drug shortages, it puts the lives of mothers and children in danger and affects the process of education in children's lives as well as adults' lives.

**How the Plan Will Be Delivered**
The plan is based on three focal points: health across different phases of life, including maternal and child health, and health in later years; the proximity of services to the population; and steps to safeguard finances by minimizing costs. The implementation relies on National Health Compacts with individual countries, the Health Works Leaders Coalition of governments and international organizations, and the Universal Health Coverage Knowledge Hub. The International Finance Corporation has already invested $9 billion in the private healthcare sector in more than 100 communities.

In his statement on 16 October 2026, President Ajay Banga pointed to the fact that a good primary healthcare system keeps the population healthy and attracts business.




**Data sources: World Bank Group**




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# Global Growth Steady at 3.1% but Inflation Hits 4.7%: IMF Warns Energy Importers Face the Toughest Road in 2026

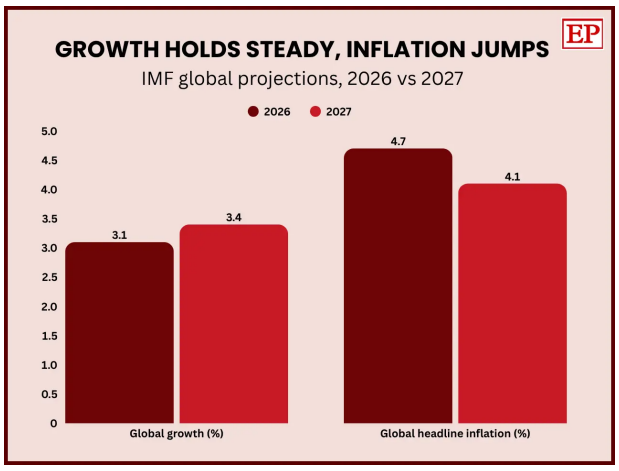
The growth of world output is projected at 3.1 percent in 2026 and 3.4 percent in 2027 in the October 2026 World Economic Outlook. 2026 is unchanged from April, while 2027 has been slightly revised higher.

**Inflation is more concerning:**

Headline inflation in the world is forecasted to reach 4.7 percent in 2026 and fall to 4.1 percent in 2027. This is a total upgrade of 0.7%. This has been driven mainly by energy and food price inflation. The IMF expects this to be short-lived. While headline inflation remains stable, there is a divide between countries due to geopolitical and technological factors. Countries are seeing increased demand and trade due to increased investment in AI. Countries exporting technology-related goods or with little direct exposure to the war are seeing stability or improvement. Energy exporters outside of the conflict are seeing improvements in their terms of trade. Energy-importing nations with little involvement in the technology chain will face a challenging mix of increased imports, currency pressure, reduced real income, tighter government budgets, and little increase in demand. Many low-income and vulnerable countries will fall into this category. Recent shocks may increase the gap in income between and within countries.Trade growth worldwide will weaken again in 2026 and may stagnate in 2027, as tariffs and, increasingly, changes to production chains put a brake on growth. Medium-term growth will remain weak, as countries differ in their level of AI preparedness and energy security.

Flexibility has helped so far; companies have been able to reroute shipments, reduce inventories, governments have provided support, and economies have become more efficient using less energy per unit output. But the IMF cautions that there are still restrictions to inventories, which have run low, and commodity markets may be volatile. Fragmentation may cause inefficiencies. If uncertainty continues, this could cause a loss of confidence. Energy constraints could cause delays to the AI boom. Also, the lending environment could change quickly, such as due to concerns regarding government debt. Overall, the risks are on the downside. A prolonged stand-off or escalation in the Middle East could cause high energy and food prices, causing inflation to return. Energy infrastructure could be attacked, cyberattacks could occur, or extreme weather could occur. Price increases due to supply shocks have had a larger and longer-lasting impact than those due to geopolitical risk.

The promise of AI profits and productivity could come under review, causing a reduction in investment, causing corrections in stock markets and tighter financial conditions. However, there are positives. Investment in AI may be more sustainable, productivity gains may occur quicker, new trading arrangements may provide more certainty, and higher fossil fuel costs may cause faster spending on energy security. Overall the message from the IMF is that there is an opportunity to create fiscal space. This is important because high debt, increasing borrowing costs, and high spending requirements are present. Therefore, governments should increase taxes and reduce spending sensibly. Energy and food subsidies should be temporary and targeted to reduce any negative impact on price signals. Improved social protection systems will help. Central banks should be adaptive. Those who import energy and are not part of the technology-driven economy should be cautious. However, those experiencing strong technology-driven demand should tighten, as they will have inflation at or below target.




Data sources: IMF

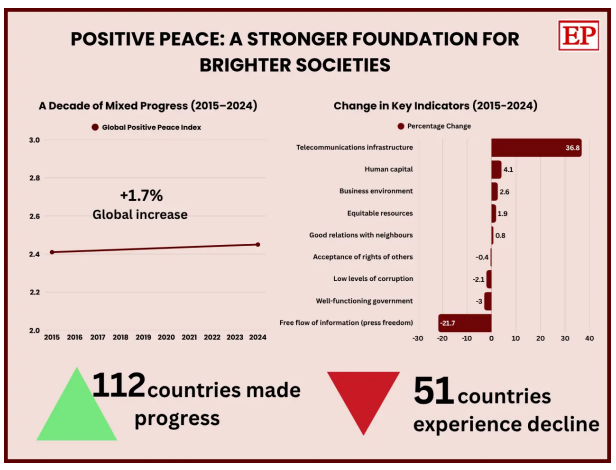
**Corporate Income Tax**

The impact of reducing corporate income tax depends on how it is financed. If it is financed through debt, then domestic activity will increase. However, it can negatively impact other economies in the short run. Over time knowledge spillovers can create positive impacts. However, it can reduce public investment due to lower tax revenue. This will be more of an issue for emerging and developing economies as they are more reliant on this tax.

# Positive Peace Framework: 8 Pillars Driving Economic Growth & Social Cohesion Globally

**What Positive Peace Means and Its Importance**

According to the Institute for Economics & Peace (IEP), peace should not be viewed merely as an outcome accomplished by societies that are functioning effectively; rather, it is the basis on which they are founded. Through its Positive Peace framework, IEP has identified the principles, institutions, and infrastructure that support peaceful societies, as organized into eight interconnected pillars. To measure these, IEP has created the Positive Peace Index (PPI), which is based on statistical analysis of over 20,000 indicators across 163 countries, which cover almost the whole world.




Data sources: IEP

The research indicates that those conditions supporting peace yield further outcomes cherished by individuals. Countries ranking higher tend to have stronger economies, environmental performance, life satisfaction, and social cohesiveness. Real GDP in countries where scores increased grew about twice as fast as those where scores declined, and foreign investment followed the same track. Inflation remained much more stable. Countries that made the greatest strides towards internal peace over the ten years saw improvements in positive peace four times greater than in the rest of the world, mainly due to the rule of law, control of corruption, and group grievances. Hence, it provides both rich and poor countries with an opportunity for some sort of internal renewal for rich countries, a bearer of renewal of cohesion and productivity, and poor countries for improved material performance.

**A Decade of Mixed Progress**

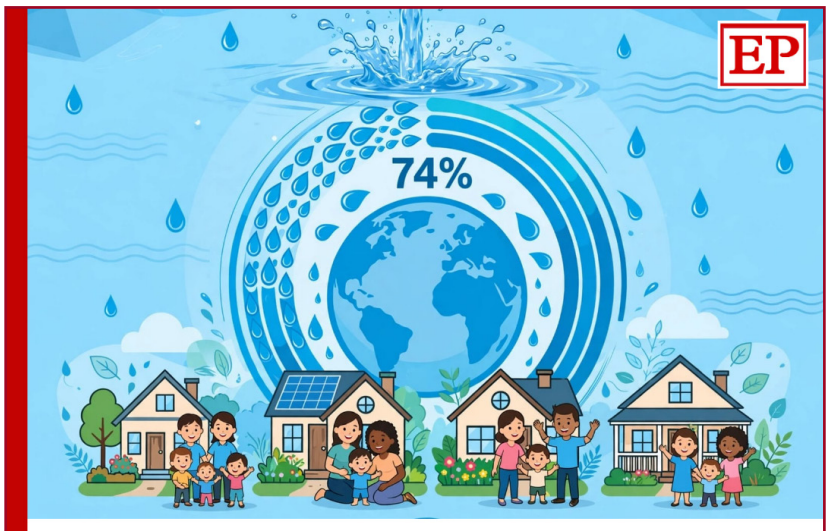
Positive peace globally has increased by 1.7 percent from 2015 to 2024, with 112 countries reporting progress. Nevertheless, the report warns that this headline figure hides a harsher reality. Almost all the improvement is owing to only one indicator, the telecommunications infrastructure, which rose by almost 37 percent. Excluding that indicator, the global score would have dropped with more countries experiencing a decline than improvement.

The decade may be presented as two opposing trends. The structural basis for peace, such as connectivity, health, and human capital, receives support, while institutional and informational aspects deteriorate. The authorities became less open, elite unity declined, and press freedoms were restricted. The Well-Functioning The government pillar saw the biggest decrease of 3 percent, with corruption worsening in more than 60 percent of countries. The press freedom indicator was the most depressed indicator, with more than one-fifth deterioration, which occurred disproportionately in the aftermath of COVID-19 with emergency restrictions in place and the spread of disinformation. In Western and Central Europe, the biggest deterioration was recorded in the Netherlands, the UK, and Austria, where the waning cohesion and trust in the government were noted.

**Resilience, Major Powers, and Pathways Forward**

The pandemic acted as a test of stability. Countries ranked high on Positive Peace performed better and recovered faster from the crisis. Those economies in the highest Positive Peace category saw their GDP rise by an average of 2.1 percent from 2021 until 2024, while countries in the lowest category became poorer by 0.6 percent during the same period. The United States, among the largest economies in the world, experienced the second biggest drop in terms of GDP contraction of 8.8 percent during that time, primarily due to corruption, while China and India got richer by about 6 percent and Russia became poorer by 5.2 percent. Despite the changes, the quality of press and information deteriorated in all of these countries. It is interesting to note that these countries are ranked higher in terms of positive peace than in the Global Peace Index, which means they have scored better than they should have.

Additionally, the report describes peace as a dynamic system that has two stable points, which are very hard to escape from, known as Conflict Trap and Sustainable Peace. While the mid-peace states are subject to constant change, which makes them very unpredictable. Each stage has its own priorities, like business environment and relations with neighboring countries for low-peace states, governmental quality and acceptance of other rights for mid-peace ones, and fair resource distribution for high-peace ones. Finally, this framework has been implemented in more than 150 countries, starting from bringing back the ex-combatants from Colombia and finishing various community projects in South Sudan by focusing on existing resources but not on problems.




BRIEF. GLOBAL GOALS

**Clean Water Access Reaches 74% Globally, Up From 68% in 2015**

While access to safe drinking water increases to 74 percent in 2025 (from 68 percent in 2015), billions of people worldwide still do not have safely managed water services today, according to a new UN report (SDG Progress Monitor) on progress toward SDG 6, which addresses water and sanitation.



BRIEF. UNDP

**83.3% of World's Multidimensionally Poor Live in Rural Areas, UNDP-OPHI Data Shows**

About 998 million multidimensionally poor people live in rural areas, compared to just 200 million in cities, a new OPHI-UNDP report reveals. The rural-urban poverty ratio is high at 83.3% in rural areas and 16.7% in urban areas underlining the high level of rural poverty.

# Rising Borrowing Costs to Test Public Finances Globally: IMF Warns of Debt Crisis by 2030

**Rising Borrowing Costs to Test Public Finances**

Around the world governments are facing increased borrowing costs, with the International Monetary Fund (IMF) predicting that global public debt would be above 100% of GDP by 2030, the highest level seen since shortly after the Second World War. The market has demonstrated that the average yield of 10-year government bonds across the G7 increased by over 1% between February and September 2026, the highest level seen for over 20 years. This is because we have had high inflation, high energy prices, and investment requirements. This has increased our debt, so we need to spend. The government will have to borrow lots of money, meaning yield has gone up. The government will pay more in interest, meaning they will have higher borrowing costs, which will cause problems with their budget. This situation may lead to financial strain and will cause investors to demand a higher return.

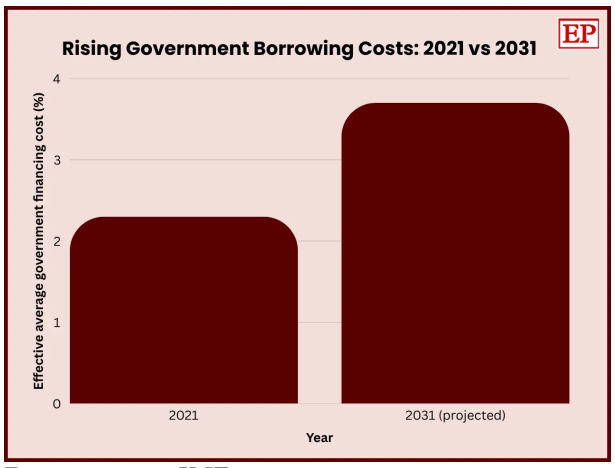
**Increased interest payments reduce government flexibility**

As interest payments rise, this means less money will be available to allocate to areas such as infrastructure, healthcare, security, and various other development projects. In 2031, the interest rate (on average) that governments will be paying will rise to 3.7% compared to just 2.3% in 2021 (IMF). This has a significant effect on those countries with limited financial resources. Over 15% of low-income economies' interest payments are now being paid from their total fiscal revenue, compared to around 9% on average between 2011 and 2019.

The United States is set to pay around 5.7% of GDP to interest by 2031, which is similar to the amount it will pay out on Social Security.The interest rate risk comes from the nature of the debt structure. If governments are having to refinance their debt at shorter intervals, then the increase in interest rates will hit their budget quicker. As well as this, there are increased pressures on government spending due to aging populations and defense and energy security issues, meaning governments have less flexibility when absorbing shocks to the economy. The IMF also warns that increased borrowing costs can create spillover effects. If the benchmark rates rise in key economies, then this can make financing harder elsewhere. This means that emerging markets and developing countries will struggle with debt management.

**Reassuring Fiscal Frameworks**

The IMF stresses that it is too late to delay fiscal reform. Advanced economies with high debt levels will need to produce realistic frameworks to return their fiscal position to a sustainable trajectory. Emerging markets need to reduce risks to their fiscal position and improve debt management. Low-income countries need to improve their tax bases and increase efficiency in how they spend to ensure that they have enough money for their priorities. Fiscal consolidation needs to be implemented to ensure there is a proper balance in government tax, spending, and debt servicing. If left too long, more interest has to be paid, and there are fewer options in terms of fiscal policy. This could lead to more painful reforms in the future. It is important to make sure that the borrowing is reduced and that we have a reassuring framework for investors. By reducing debt levels and interest rates we can control borrowing by getting good reforms in place quickly. This will limit any risks to the economy and still allow governments to support long-term economic growth. The IMF is stressing that having reassuring fiscal frameworks is not something to work towards; it is something that needs to happen now to keep our economy stable.




Data sources: IMF



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**Economics prof, CityCollegeNY, GC_CUNY, former, White House SBST. Behavioral econ.**