

Emerging Economies Must Take Precautionary Measures Against US Rate Hikes

Emerging economies across the world must prepare for interest rate hikes in the U.S. based on their circumstances and vulnerabilities, said the International Monetary Fund (IMF), as ripple effects of the hike could result in adverse feedback loops like financial instability, currency depreciation, and rapid inflation.

Surging prices and tight labor market have led to the U.S. Federal Reserve tightening its monetary policy and accelerating the tapering of asset purchases to rein in the 39-year-high inflation. These changes have made the outlook for emerging markets more uncertain. These countries also are confronting elevated inflation and substantially higher public debt, said the International Monetary Fund in a blog.

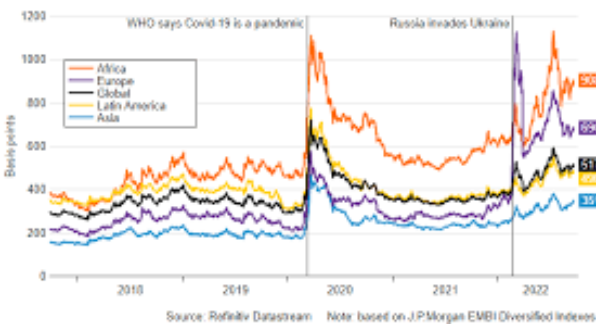
The average gross government debt in emerging markets has been increasing, "reaching an estimated 64 percent of GDP by end 2021, with large variations across countries. However, in contrast to the United States, their economic recovery and labor markets are less robust.

The IMF pointed to two scenarios, one of which is the gradual tightening and rate hike, where the effect on emerging economies will be likely "benign." In this case, the strengthening U.S. economy will sustain domestic demand, and emerging economies can offset any negative impacts like currency depreciation through an increase in trade.

A rapid increase in rates is the second scenario. In this situation, financial markets in the sensitive economies would be shaken up, as financial conditions are tightened globally. Large capital outflows relative to the

Emerging markets face pressure amid war

Spreads between EM hard-currency bonds and U.S. Treasuries



U.S. Dollar and currency depreciations would send economies spiraling down. As some countries have begun the process of adjusting their monetary policies, the IMF recommends economies with weaker institutions to start acting swiftly and comprehensively. The international lender suggests countries allow their currencies to depreciate while raising benchmark interest rates.



Emerging market currencies under pressure

Loss against the US dollar through end-September 2018



Source: IHS Markit | * All emerging market currencies ©DW

The trade-offs for these economies include not supporting their domestic markets like local businesses with credit facilities. While this helps in tightening financial conditions, it would result in a weakened economy.

For countries with more debt in foreign currencies, they should work towards reducing the debt, hedging exposure, and increasing the payback period. For economies with corporates riding on high amounts of debt and bad loans, the IMF points to lenders facing solvency issues.

Fiscal policies like making public spending more efficient, and implementing structural fiscal reforms will help economies weather such disruptions in the international markets.

Reference: IMF

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Upcoming Events

**1st International
Food and
Agriculture
Exhibition**

Date:

8th-10th August, 2023

Venue:

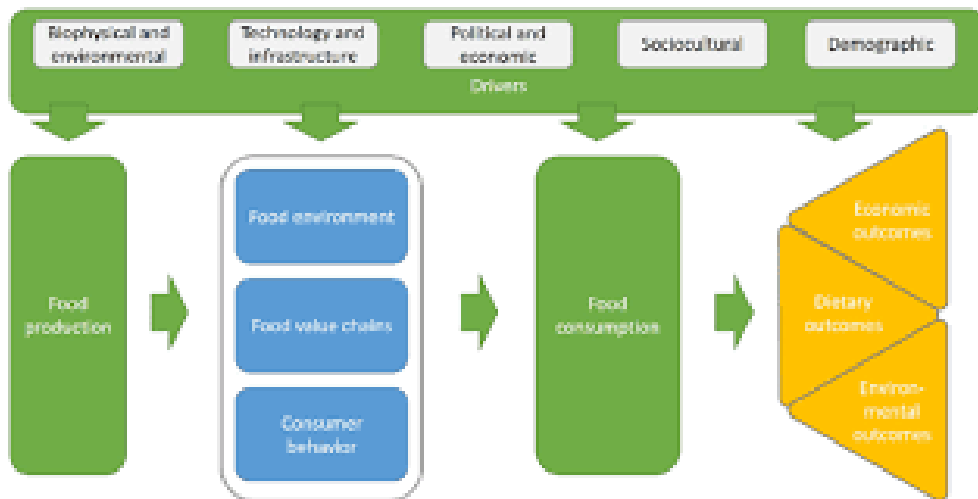
Karachi, Pakistan

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Agrifood System and its importance

The agrifood system is everything that is connected to food and agriculture. What we eat as well as the way that food is sold, distributed and processed. It also includes how food is grown or harvested on land, at sea, and other non-food products, such as fuel and fiber. All these processes involve a whole host of activities, investments, and decisions. An agrifood system pulls together all of this into an interconnected system; for example, if we want to grow fruits and vegetables for people to eat healthier, we have to think not just about growing the vegetables, but also about how they are delivered to people. Agrifood systems are also a space for solutions including for climate change, biodiversity loss, malnutrition, chronic diseases, unsafe food, poverty and to counter a lack of urban sustainability. Agrifood systems are the solution to the world's most important challenges. Right now, the power to provide those solutions is not there. The agrifood system is sick. The way it is designed and functions means that it is weak, worn out and lacks resilience.



It is vital that the world work to strengthen multilateralism and the rules based, multilateral trading system, with an emphasis on ensuring that the system works effectively for developing countries and is a driver for inclusive and sustainable development.

While globalization has brought many benefits for many countries and peoples, not all have been able to benefit, and this is a serious concern that needs to be addressed. This calls for a broad-based and constructive dialogue on strengthening and revitalizing multilateralism and international cooperation, continuing the constructive and comprehensive reflection on how globalization affects inclusive and sustainable development

Diversity is also good for biodiversity and the environment, as well as nutritionally for consumers. There are many ways to transform agrifood systems. The most important way is to bring all the systems together which necessitates bringing people together.

One of the major challenges is that different people are trying to fix biodiversity, nutrition or food safety, while others are trying to fix poverty and the livelihoods of agricultural producers. We need to work together in the system and figure out how to provide these solutions. This way we will begin to see that the agrifood system may appear to be a problem because it is weak, but it actually is something powerful.

Upcoming Events

Halal Expo

Date:
29th-31st August,
2023
Venue:
Lagos, Nigeria

IATF

Date:
14th-20th September, 2023
Venue:
Ivory Coast

DOHA EXPO

Date:
2nd Oct. 2023 to 28th
March, 2024
Venue:
Qatar

3rd Edition

**Intra-African Trade Fair
(IATF) Afreximbank
9 th- 15th November 2023
Cairo, Egypt**

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Meetings & Visits



The GCCCI launched the Business Formalization Systems platform. This platform seamlessly aligns with GCCCI's formalization initiatives, business management programs, and entrepreneurship training, incorporating ILO tools like the Improve Your Business and Formalize Your Business training modules, along with expert advisory services.



Productive discussions were held at the National Business Council meeting, addressing key issues that impact our economy and trade.



The GCCCI concluded the first batch of Formalized Your Business program, equipping ambitious entrepreneurs with essential knowledge and skills to formalize and strengthen their businesses.



The GCCCI held a closed-door meeting with the Bankers' Association and the Association of Licensed Forex Bureaus (ALFOB) to discuss the challenges facing FOREX trading in The Gambia.



GCCI concluded another trailblazing week of the 3rd cohort of Formalize Your Business training program with an incredible group of participants from the prestigious University of The Gambia



The Chamber of Commerce of Las Palmas de Gran Canaria paid a courtesy call to The Gambia Chamber of Commerce and Industry to explore areas of interest and partnership.

Personalised business advisory services

Access to business plan review services

Linkage to funding opportunities

Access to Capacity building and trainings

Promotion on GCCCI media platform

Priority access to trade mission opportunities

Free membership in GCCCI start up association

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| Business Name | Business Address | Contact Person |
|--|-----------------------------------|--------------------------------|
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| Ado's Trading | Sinyang | Adama sowe |
| Aegytsche Freundschaft Travel (Gambia) Limited | Bakau New Town | Mr. Sellou Jallow |
| Cheson Interbiz | 1008 Mosque Road, Churchills Town | Mr. Uche Sylvester Agbotia |
| Elwowo Enterprise | Churchill's Town | Mr. Ibuchim Benny Ogwuegbu |
| Haji B & Sons Trading | Serrekunda | Mr. Haji Gumaneh |
| Ida's Enterprise | Brikama | Ms. Ida Jeng |
| Inna Natural Herbal Drink | Coastal Road | Ms. Inna Fatou Cham |
| Jallon (Smart Print) | Coast Road, Gym Junction | Ms Fatimah Jallow |
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| Jaw Cosmetics Enterprise | Brikama | Mr. Khalidou Jaw |
| JK Natural Solution | Serrekunda | Ms. Aisha E.N. Jarra |
| Lalo Drammeh | Tabokoto | Mr. Lalo Drammeh |
| M. L. Jaiteh Enterprise | 78 Liberation Avenue | Mr. Modou Lamin Jaiteh |
| Matilda Fishery | Brusubi | Ms. Matilda Jatta |
| Mbalia's Trading | Serrekunda | Ms. Mbalia Camara |
| Megakey Consultancy & Marketing & Madia | Kanifing, MDI Road | Ms. Joy Nwamah |
| NJ Cashew's | Kanifing Estate-Layout | Ms. Sainabou Sonko |
| Ousman Hydera's Trading | Faji Kunda | Mr. Ousman Hydera |
| P & Mack Enterprise | Kanifing | Mr. Musa Jarra |
| Plantation Nurseries | Fass Njaga | Samba Faye |
| Princess Trading | Serrekunda | Ms. Princess Coker Okorie |
| Sheriff and Brothers Auto Trading | Sukuta | Mr. Sheriff Tamedou |
| Sheriffo & Brothers Aluminum And Glass Cutting | Serrekunda | Mr. Sheriffo Camara |
| Yaye Baiyam's Creations | Bijilo | Ms. Njay Secka |
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Membership benefits

Personalised business advisory services

Access to business plan review services

Promotion on GCCI media platform

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