

Business

IMF lifts 2025 global growth forecast, warns of ongoing trade 'uncertainty'

Tariff shock benign • US growth steady • China to slow to 4.8% • India growth up to 6.6%

WASHINGTON: The International Monetary Fund on Tuesday lifted its outlook for global growth this year, flagging a milder-than-expected economic hit from President Donald Trump's tariff policies while warning of risks ahead. In its flagship World Economic Outlook (WEO) report — compiled before the most recent US-China tariff spat — the IMF hiked its 2025 global growth forecast to 3.2 percent, up from 3.0 in July, while leaving its prediction for 2026 unchanged at 3.1 percent.

The global inflation rate is expected to remain elevated at 4.2 percent this year, and 3.7 percent in 2026, underpinned by elevated inflation in several countries including the United States.

"The tariff shock itself is smaller than initially feared," IMF chief economist Pierre-Olivier Gourinchas told reporters in Washington on Tuesday, adding that the private sector had also supported growth by responding to Trump's tariffs in an agile way. Other factors, including the AI boom and fiscal policies in Europe and China had also helped to prop up the global economy, he said.

But, he warned, "the tariff shock is here, and it is further dimming already weak growth prospects."

Since returning to office, Trump has imposed sweeping tariffs on top trading partners including China and the European Union in a bid to reshape US trading relationships and boost domestic manufacturing. Over the weekend, the US president threatened fresh tariffs of 100 percent on China, on top of current steep levies, criticizing Beijing's recent decision to tighten export controls on the rare earth

minerals crucial to the defense and high-tech sectors.

"Everything is very fluid," Gourinchas told AFP in an interview. "But I think it's a very useful reminder that we live in a world in which this kind of increase in trade tensions, increase in policy uncertainty, can flare up at any time." The IMF raised its prospects for economic growth for the United States, the world's largest economy, by 0.1 percent this year and next, to 2.0 percent in 2025, and to 2.1 percent in 2026. However, this still represents a marked slowdown from 2024, when US growth hit 2.8 percent.

Despite the trade tensions between the world's two biggest economies, the Fund still expects China's economy to slow to 4.8 percent this year from 5.0 percent in 2024, before cooling sharply to just 4.2 percent in 2026, in line with previous estimates. China's slowdown has been driven by a reduction in net exports, which have been at least partly offset by growing domestic demand fueled by policy stimulus, the Fund said.

Elsewhere in Asia, the IMF raised India's 2025 growth forecast to 6.6 percent from 6.4 percent in the last outlook update in July, and hiked its prediction for growth in Japan to 1.1 percent — up 0.4 percentage points.

The outlook for Europe has improved slightly from July, with the Eurozone now expected to grow by 1.2 percent this year and by 1.1 percent in 2026. But despite the upgrade, Europe's growth trajectory still significantly lags the United States. Germany's economy is expected to bounce back from recession



WASHINGTON, DC: International Monetary Fund Chief Economist Pierre-Olivier Gourinchas (center) speaks during the "World Economic Outlook" press briefing during the IMF/World Bank annual meetings in Washington, DC on October 14, 2025. — AFP

to register growth of 0.2 percent this year, up 0.1 percentage point, before picking up to 0.9 percent next year. And France, which is in the midst of a prolonged political crisis, is expected to see growth cool to 0.7 percent this year, before rising slightly to 0.9 percent in 2026.

The one market exception in the Eurozone is Spain, which saw an upgrade and is now expected

to see growth remain resilient at 2.9 percent this year and 2.0 percent in 2026. Growth in the United Kingdom is now expected to hit 1.3 percent this year and next. As the war in Ukraine continues, the Russian economy is likely to see a marked slowdown in growth this year to just 0.6 percent this year from 4.3 percent in 2024, the IMF said, cutting its outlook by 0.4 percentage points. — AFP



Participants of KIPCO's third cohort of 'ENBAT' program.

30 embark on career readiness journey with KIPCO's ENBAT

KUWAIT: KIPCO – Kuwait Projects Company (Holding) – launched the third cohort of 'ENBAT' with the participation of 30 fresh university graduates. The program offers participants a platform to develop skills they may not have been exposed to during their education, yet are considered essential by employers for new hires to possess.

ENBAT, first launched in January 2024, is being hosted by the American University of Kuwait. More than 160 young people from 18 countries applied for the third edition of ENBAT, with 70 percent of those

accepted into the program being women. The participants hold degrees in health and sciences, arts and media, humanities and engineering, among others.

The program offers an inclusive learning environment for young graduates to share ideas and collaborate, allowing them to practice skills that build resilience, adaptability and originality in problem-solving, along with improved communication, all of which are key qualities for success in professional settings. The nine-week program is designed in collaboration with en.v, which has worked on a number of successful programs, all of which focus on bringing together people representing different parts of the community and facilitating the process of building bridges, collaboration and connections.

On this occasion, Eman Al-Awadhi, Group Senior Vice President – Corporate Communications and Investor Relations at KIPCO, said: "In its third edition,

ENBAT continues to draw increasing numbers of applicants each year, highlighting the program's success and the positive impact it has on our participants. KIPCO is dedicated to actively supporting the growth of Kuwait's future leaders. Our annual program provides young participants with essential skills to excel in their chosen careers. ENBAT focuses on holistic development, fostering both emotional and intellectual resilience to prepare participants for success in any work environment, whether in the public or private sector."

ENBAT is being facilitated by seven trainers, all of whom have private sector experience and have been trained by en.v to help the participants build the core skills needed to become effective leaders and collaborators. The program includes four modules: Self, Systems, and Critical Thinking; Cross Cultural Communication; Design Thinking; and Work Culture & Applying Skills.



Chipmaker Nexperia says banned from exporting from China

THE HAGUE: Chipmaker Nexperia said Tuesday the Chinese government had banned it from exporting goods from China, after Dutch authorities seized control of the Netherlands-based firm citing management concerns. Nexperia has found itself at the centre of a tug-of-war between China and the Netherlands over semiconductors, an increasing source of global geopolitical tension. In its first statement since the Dutch move took effect on September 30, Nexperia said it was "actively engaging" with authorities in Beijing to gain an exemption from China's counter-measures. Late Sunday, the Dutch government said it had invoked a Cold War-era law to effectively take control of the company, citing concerns about mismanagement.

Under the 1952 Goods Availability Law, the Dutch government can block key decisions about hiring staff or relocating company parts for one year. The Dutch government said its use was "highly exceptional" and was invoked to ensure Nexperia's chips that are used in a wide variety of electronic equipment would remain available in an emergency. The firm said that China's response came on October 4.

"The Chinese Ministry of Commerce issued an export control notice prohibiting Nexperia China and its subcontractors from exporting specific finished components and sub-assemblies manufactured in China," the firm said. Nexperia said the Companies Chamber of the Amsterdam Court of Appeal had ordered the suspension of Chief Executive Zhang Xuezheng after concluding there were "valid reasons to doubt sound management." The court published its judgment later Tuesday, which detailed a series of alleged impropriety by an executive not named in the statement, but identified as the CEO. The chamber found this executive guilty of a conflict of interest via his controlling stake in a Shanghai-based firm WSS, which manufactures wafers, the key components in semiconductors. According to the court, the CEO forced Nexperia to

order as much as \$200 million of wafers from WSS in 2025, when it only needed around \$70-80 million. "This would mean that the wafers to be supplied by WSS would not be processed but be held in stock until obsolete... so that Nexperia was effectively ordering scrap," the court said.

In addition, the CEO cut off key finance officials from banking authorization, granting power of attorney to individuals with no financial experience. "For a company the size of Nexperia, such conduct borders on recklessness," said the court. The CEO fired executives who protested against this move, while the Global Head of Finance resigned after 39 years at the firm or its predecessors. Finally, the court said the CEO refused to implement key management changes agreed with Dutch authorities to ease concerns about Nexperia's Chinese links.

The chamber therefore decided to suspend the CEO and transfer all shares, except one, to an independent court-appointed administrator. Also revealed in the court document was an ultimatum from the US administration that was drawing up its "entity list" of firms viewed as acting contrary to Washington's national security. The court cited minutes of meetings between Dutch officials and the US Bureau of International Security and Nonproliferation.

The key point that was "problematic" for the American officials was "the fact that the company's CEO is still the same Chinese owner." "It is almost certain that the CEO will have to be replaced to qualify for an exemption from the entity list," the court cited the minutes as saying. Based in the Dutch city of Nijmegen, Nexperia says its chips power "virtually every electronic design worldwide." — AFP

US accuses China of wanting to hurt world economy

WASHINGTON: US Treasury Secretary Scott Bessent slammed Beijing in an interview this week, accusing it of seeking to harm the global economy after China slapped sweeping new export controls in the strategic field of rare earths. "This is a sign of how weak their economy is, and they want to pull everybody else down with them," Bessent told the Financial Times in an interview on Monday.

His comments came days after Beijing imposed fresh controls on the export of rare earth technologies and items. China is the world's leading producer of the minerals used to make magnets crucial to the auto, electronic and defense industries. The US Treasury chief claimed China's controls signaled problems in its own economy: "They are in the middle of a recession/depression, and they are trying to export their way out of it."

China's announcement last week sparked a fiery response from US President Donald Trump, who on Friday said he would roll out an additional 100-percent tariff on the country's goods from November 1.

Trump also threatened to scrap a planned meeting with Chinese President Xi Jinping at the Asia-Pacific Economic Cooperation (APEC) summit starting later this month. Trade tensions between Washington and Beijing have reignited in Trump's second presidency, with tit-for-tat duties reaching triple-digit levels at one point. For now, both countries have de-escalated tensions but the truce remains shaky.

China on Sunday accused the United States of "double standards" after Trump's threat of further tariffs. The US leader later insisted that he wanted to "help China, not hurt it." On Tuesday, China said it was ready to "fight to the end" in a trade war with the United States, shortly before a new wave of US tariffs on wood products took effect. A senior US official told the FT that China International Trade Representative Li Chenggang had previewed many of China's current lines of attack that recently played out. — AFP

China says will 'fight to the end' in US trade war

BEIJING: China said on Tuesday it was ready to "fight to the end" in a trade war with the United States after President Donald Trump said he would impose an additional 100 percent tariff on the world's second-largest economy. "On the matter of tariff wars and trade wars, China's position remains consistent," an unnamed commerce ministry spokesperson said.

"If you wish to fight, we shall fight to the end; if you wish to negotiate, our door remains open."

Concerns spiked over the weekend that the trade war between the world's top two economies will worsen after Trump announced extra 100 percent tariffs on all Chinese goods. The move, he said, was in response to Beijing's announcement last week of sweeping new export controls in the strategic field of rare earths — currently dominated by China. His announcement on Friday rattled markets and called into question a potential upcoming meeting with Chinese counterpart Xi Jinping in South Korea.

Trump's statement also said the United States would impose export controls "on any and all critical software" from November 1. Beijing's commerce ministry spokesperson said China wanted to "reiterate that export control measures concerning rare earths and related items constitute legitimate actions by the Chinese government to improve its export control system in accordance with laws and regulations." "As a responsible major power, China has consistently and resolutely safeguarded its own national security and international collective security," the spokesperson added.

Meanwhile, China sanctioned five American subsidiaries of South Korean shipbuilder Hanwha Ocean on Tuesday, accusing them of supporting a US government investigation into the shipping industry, as tit-for-tat port fees took effect. The United States announced in April it would begin applying fees to all arriving Chinese-built and operated ships after a "Section 301" investigation found Beijing's dominance in the industry was unreasonable.

Beijing responded last week by announcing "special port fees" on American ships arriving at Chinese ports. Fees on both sides kicked in Tuesday. The sanctioned subsidiaries are Hanwha Shipping LLC, Hanwha Philly Shipyard Inc, Hanwha Ocean USA International LLC, Hanwha Shipping Holdings LLC and HS USA Holdings Corp. The United States' investigation and subsequent measures "severely damage the legitimate rights and interests of Chinese enterprises," Beijing's commerce ministry said in a statement.

The Hanwha subsidiaries "assisted and supported the relevant investigation activities of the US government, endangering China's sovereignty, security and development interests", it said. Organizations and individuals in China are banned from cooperating with them starting Tuesday. — AFP



QINGDAO: A cargo ship sails into the port in Qingdao, in China's eastern Shandong province on October 13, 2025. — AFP