

Headlines:

- **Egypt: More than Half of 2022/2023 Budget to be Spent on Debts**
- **Inflation in Turkey Hits 70% in April**
- **Would Never Have Agreed to US Demand of Military Bases in Pakistan, Imran Reiterates**

Details:

Egypt: More than Half of 2022/2023 Budget to be Spent on Debts

Egypt's government presented a draft budget for the new fiscal year 2022/2023 on Monday, with more than half allocated to debt service. The draft shows a significant increase in allocations for debt interests that are expected to rise by nearly 19 percent, compared to the current fiscal year that ends on 30 June. Budget allocations for repaying the loans themselves rose dramatically in the draft, exceeding 62 percent. In terms of government spending on health and education, it is projected to be less than the percentage mandated in the constitution, which stipulates a minimum of six percent of GDP spending on education and three percent on health. Egypt's Minister of Finance Mohamed Maait presented the draft budget to parliament on Monday, pending approval, which expects spending to rise 15 percent in the fiscal year that begins on 1 July. The budget deficit is forecast at 6.1 percent of the gross domestic product in 2022/2023, down from an estimated 6.2 percent in the current financial year. Maait said Egypt would spend 2.07tn Egyptian pounds (\$112bn) in the upcoming year, with revenue expected at 1.52tn pounds (\$82bn). Hala al-Saeed, the Minister of Planning and Economic Development, said Egypt expects investments of 1.45tn Egyptian pounds (\$78.4bn). "The global crisis has resulted in increased energy and food prices. The government has been able to confront the severe and simultaneous shocks because of the strength of the national economy," Mohamed Maait told parliament. "The budget was prepared in the shadow of terrific challenges and pressures on the national economy during the international turmoil that has led to an increase in inflation." [Source: Middle East Eye]

Egypt's economic crisis is similar to those experienced by other third world countries and is due to the implementation of neoliberal policies dictated by the Washington Consensus. The pursuit of neoliberalism has resulted in the de-industrialization of Egypt, which means Egypt has to continuously import goods from abroad and this results in a balance of payment crisis. To address the shortfall in hard currency, Egypt is forced to borrow from the IMF and undergo further implementation of neoliberal policies that weakens Egypt's economic sovereignty by increasing the debt burden. Egypt must reject the Washington Consensus if it wants to minimize its debt burden and return to economic self sufficiency.

Inflation in Turkey hits 70% in April

Inflation in Turkey has hit nearly 70% in April amid skyrocketing prices. Critics blame surging prices on President Recep Tayyip Erdogan's economic policies, which have seen interest rates lowered to boost growth and exports. In contrast to most economists, the Turkish leader has opposed higher borrowing costs because he says they cause inflation. In countries like the UK and US, leaders have used increased interest rates to combat inflation. The UK's inflation rate was 7% in the year to March, while the Bank of England raised its base rate to 1% last week. Turkey's central bank cut interest rates by 5% from September to January. The figure is now 14%. The Turkish lira lost 44% of its value against the US dollar in 2021. Russia's invasion of Ukraine has led to growing gas, oil and grain prices, which have

hit Turkey especially badly because the country relies heavily on imports. In the transport sector, prices have gone up by 106%, followed by an increase of 89% for food and non-alcoholic drinks, according to the Turkish Statistical Institute. The government has cut taxes on essential goods and adjusted energy prices. Mr Erdogan said he expects inflation to start to come down in May. [Source: Sky News]

Following capitalist policies will never address Turkey's crippling inflation woes. The only solution is to return to the Islamic gold standard, which will keep Turkey's prices stable and also preserve the buying power of the lira.

Would Never Have Agreed to US Demand of Military Bases in Pakistan, Imran Reiterates

PTI chairman and former prime minister Imran Khan on Saturday reiterated that during his time in power he would "never have agreed" to any US demands of being given military bases in Pakistan in the aftermath of the former's evacuation from the neighbouring Afghanistan. Imran, who was voted out of the top office last month via a no-confidence movement, which he alleges was masterminded by the US through the help of local players over his pursuance of an independent foreign policy, made these remarks while addressing overseas Pakistanis in a video message. He said that the US wanted bases in Pakistan in order to "conduct [counter attacks] from here in case if there were any terrorism in Afghanistan" — something he said he found "absolutely unacceptable". Imran said Pakistan had already lost 80,000 lives in the US-led 'war on terror' and still its sacrifices were never appreciated, with many US politicians blaming it instead. "First they blamed us, then they didn't appreciate us, our country and tribal areas were destroyed and now [they] are again asking for bases. I would have never agreed to this and the problems [between us] started from there." It is pertinent to mention that Imran, in an interview in June 2021, had categorically said that Pakistan would "absolutely not" allow any bases and use of its territory to the US for any sort of action inside Afghanistan. His comments today were similar to the ones he made in a recent podcast where he said that the US was "asking for bases here to stop international terrorism in Afghanistan". In today's video address, the PTI chairman said the US wasn't used to Pakistan's government "making independent decisions". He said he wanted Pakistan's foreign policy to be for its own benefit instead of pursuing someone else's objectives. "The problems started here," he said, adding that Pakistan's relationship with China and visit to Russia were also a "problem" for the US. Imran alleged that the "conspiracy" to topple his government started after he refused the demand for military bases and was aided by local abettors. He said that by July and August of last year he had understood that "something was happening". Imran said the "bigger conspiracy" than his government being toppled was in who replaced him as he lashed out at the current government and branded it a "corrupt mafia". Imran criticised the members of the coalition government, claiming that "powerful local forces" had prevented their convictions in the cases against them. He said that in his experience, Pakistan's "ruling elite is corrupt, soft and slaves" and would not survive without the US. "To place such people over us is a conspiracy against the future of this country and also its disrespect." [Source: Dawn]

Whilst Khan continues his anti-American tirade to maintain relevance amongst his supporters, one cannot help but notice that Khan faithfully executed the US agenda during his term in office. Khan helped the US in Afghanistan and also in Kashmir, in return Khan was rewarded with billions of dollars of IMF loans. Furthermore, Khan is trying to portray that he treaded an independent foreign policy while in office, but in practice it is well known that the army is the custodian of foreign policy. Khan could not have visited China and Russia or have said no to US bases without the support of the army.