

Far and Wide

Every week we share selection of six news from six continent that we believe will impact our world in the near or distinct future

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Brazil now questions USD as the currency for trade!

Welcome to our first edition of the newsletter, Far and Wide, where we bring you the most interesting updates and insights from around the world. Our lead story this week is Brazil's Luiz Inacio Lula da Silva call for BRICS nations to come up with an alternative to replace the dollar in foreign trade, supporting China's ambition against US global dominance. The Brazilian President's visit to China comes after his visit to the US and given that this comes from a leader from the South Americas is certainly exciting (even if not practical in the short term), given how the US considers South America as its backyard and an open invitation to China to invest in Brazil will certainly have US thinking, as the two World Power fight for economic dominance. The talk of de-dollarization is not new and clearly, countries like Russia, China, India, and now Brazil, are taking steps to reduce their dependence on the US dollar and establish an alternative system for trade settlement. This trend accelerated since the Russo-Ukrainian war and the subsequent sanctions against Russia via the US-dominated global banking system. Many emerging economies see the ability of the US government to weaponize the dollar against its political adversaries is driving countries to move away from the current global financial system. Key developments include China and Brazil's agreement to use their own currencies for trade and financial transactions and Russia and Iran's reported work on creating a gold-backed cryptocurrency to replace the US dollar in international trade payments. Politics and need aside, where this initiative go is also dependent upon whether the world sees any viable alternative to the US system that can combine (all relative) democracy, rule of law, size of the economy, tourism, education system, language, and more.

We hope you find this edition informative and thought-provoking.

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G7 to prioritize helping developing nations with central bank digital currencies (CBDC) introduction



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Asia's economic growth could outpace developed countries by 5%

De-Dollarization: China, Brazil Can Be Instrumental in Building Less Centralized World.



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Algeria's state-owned oil company, SONATRACH, announced six hydrocarbon discoveries during Q1 2023



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Potential 'Super El Nino' could lead to catastrophic weather events in Australia



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German-Brazilian startup aims to harness the earth's natural carbon dioxide removal (CDR) processes through enhanced rock weathering



Green Energy

Researchers in UK develop low-cost way of producing green hydrogen using natural catalysts

Global

G7 to prioritize helping developing nations with CBDC introduction and strengthen cryptocurrency regulation



Source: Reuters

<https://www.reuters.com/markets/currencies/g7-discuss-digital-currency-standards-crypto-regulation-2023-04-11/>

The G7 countries, led by Japan, will prioritize helping developing nations introduce central bank digital currencies (CBDC) in line with international standards, while also addressing cyber threats and risks to financial markets posed by digital technology. Additionally, G7 central banks have set common standards towards CBDC experiments, while countries have a consensus on the need for stronger cryptocurrency regulation following the collapse of FTX last year. Another priority for the G7 is to tackle the debt vulnerabilities of middle-income countries, with Japan hopeful of progress in talks with Sri Lanka, initiated by Japan, France, and India. The US, UK, France, Germany, Italy, Canada, and Japan make up the G7 nations.

Asia

Asia likely to grow 5% faster than developed economies by year-end: Morgan Stanley

Morgan Stanley predicts that Asia's economic growth could outpace developed countries' by 5% by the end of 2023 due to strong domestic demand and banking stress in the US and Europe. Central banks in the US and Europe may continue with their aggressive rate hikes to tighten lending standards, which will impact domestic demand and have a spill over effect to Asia in the form of constrained external demand. However, sustained domestic demand will allow growth differentials to shift in favor of Asia. Additionally, China's relaxation of COVID lockdowns has helped its economy gain momentum, benefiting the rest of the region as well.



Source: The Business Times

<https://www.businesstimes.com.sg/international/asia-likely-grow-5-faster-developed-economies-year-end-morgan-stanley>



Africa



Investments in the North African nation's upstream sector have surged since Russia's invasion of Ukraine as Europe looks to other countries for replacement hydrocarbons

Algeria's state-owned oil company, SONATRACH, announced six hydrocarbon discoveries during Q1 2023. Two oil and gas discoveries were made in the Amguid Messaoud basin, two oil and gas condensate discoveries were made in the Berkine Basin, a gas condensate discovery was made in the Ohanet region of the Illizi basin, and an oil and gas discovery was made in the Oued Mya basin. These discoveries highlight the investments made in the exploration and renewal of hydrocarbon reserves and demonstrate the attractiveness of the mining sector in North Africa. These investments have surged since Russia's invasion of Ukraine, as Europe, particularly Italy, seeks other countries for replacement hydrocarbons.

Source: Upstream

<https://www.upstreamonline.com/exploration/algeria-unveils-six-new-hydrocarbon-discoveries-as-ukraine-war-spurs-upstream-sector/2-1-1432955>



Australia

Potential 'Super El Nino' could lead to catastrophic weather events in Australia

According to some climate models, Australia may face a "super El Nino" event later this year, which could cause extremely hot temperatures and increase the risk of catastrophic weather events. The Bureau of Meteorology in Australia has warned that all seven models it has surveyed showed sea surface temperatures passing the El Nino threshold by August. The last extreme El Nino in 2016 helped push global temperatures to the highest on record and sparked floods, droughts, and disease outbreaks. A return to El Nino could trigger a drought for some regions of Australia after three years of heavy rain associated with consecutive La Ninas. However, it is too early to tell whether this will happen, and there are other factors that will determine whether Australia returns to drought.



Source: news.com.au

<https://www.news.com.au/technology/environment/climate-change/climate-models-warn-of-super-el-nino-later-this-year/news-story/62653d542ee76cba64168fedc0428801>

 **South America**



China and Brazil could play a crucial role in constructing a more decentralized world without any dominant power through de-dollarization

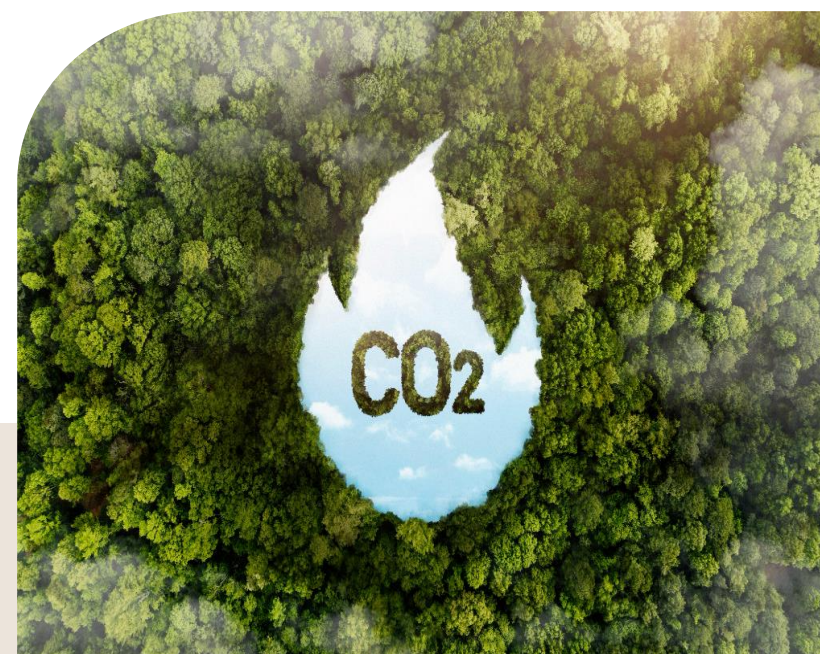
China and Brazil have reached an agreement to use their own currencies instead of the US dollar in trade transactions. The move is expected to reduce costs and promote greater bilateral trade and investment. China is Brazil's largest trading partner and Brazil is the largest recipient of Chinese investment in Latin America. Meanwhile, ASEAN finance ministers and central bank governors are discussing reducing dependence on major currencies in financial transactions and moving towards settlements in local currencies. This would allow ASEAN states to use local currencies for trade and shield themselves from possible geopolitical disruptions.

Source: Modern Diplomacy
<https://moderndiplomacy.eu/2023/04/01/de-dollarization-is-gaining-momentum/>

 **South America**  **Europe**

Startup InPlanet aims to harness the earth's natural carbon dioxide removal (CDR) processes through enhanced rock weathering

InPlanet is a German-Brazilian startup focused on Enhanced Rock Weathering (ERW) to remove large amounts of carbon from the atmosphere. ERW can optimize and speed up the natural rock weathering process, which typically takes hundreds of years to sequester carbon, to just five years or less. Additionally, the rock powder used in ERW is a basalt silicate rock that is very accessible, making it a cost-effective method for carbon removal. ERW can also have co-benefits, such as fertilizing the soil and increasing farmers' yields, making it an attractive option for collaboration with farmers. Building such scalable carbon dioxide removal (CDR) technologies has the potential to contribute significantly to the global effort to mitigate climate change.



Source: CleanTechnica
<https://cleantechnica.com/2023/04/03/in-planet-founder-felix-hartneck-on-harnessing-the-earths-natural-cdr-processes-through-enhanced-rock-weathering/>

Europe

Researchers develop low-cost way of producing green hydrogen using natural catalysts

Researchers from Swansea University and Grenoble Alpes University have developed a practical way to produce green hydrogen using sustainable catalysts. The team used natural enzymes called hydrogenases to generate green hydrogen using sunlight. These biological catalysts contain only earth-abundant elements like iron and nickel, making them much more sustainable than synthetic catalysts based on precious metals like platinum. However, the enzymes are sensitive and deactivated when exposed to air, making their practical use difficult. The team has now developed engineered solvents that enable hydrogenases to function in the air, making them more stable and active so they can generate hydrogen efficiently from sunlight. This development could lead to simpler, more affordable, and scalable green hydrogen production, making it a more viable fuel for transportation and the chemical and energy sectors.



Source: Swansea University

<https://www.swansea.ac.uk/press-office/news-events/news/2023/03/international-team-uses-natural-catalysts-to-develop-low-cost-way-of-producing-green-hydrogen-.php>