

## Headlines:

- **ECB Official and OECD Warn of Rising Inflation Risks**
- **Pakistan Calls US Senate Bill Unwarranted**
- **US Generals Express Concern Over Pakistan's Nuclear Arsenal in Wake of Taliban Takeover of Afghanistan**

## Details:

### ECB Official and OECD Warn of Rising Inflation Risks

Inflation will continue to rise over the next two years, according to revised projections by the OECD, which expects price increases to be significantly higher in 2021 and in 2022 than it previously forecast for most G20 countries. Laurence Boone, OECD chief economist, said managing inflation would be “a very difficult balancing act” for policymakers. As if on cue, the vice-president of the European Central Bank promised on Tuesday to be “very vigilant” for any signs that supply-side bottlenecks and higher wages were driving prices higher than expected. Luis de Guindos told a Financial Times online event that “there are risks of much more persistent pressures on inflation in the future” especially if the recent jump in prices, fuelled in part by a surge in energy costs, feeds into higher wage demands. Morgan Stanley forecasts that higher European energy prices will add about 0.2 to 0.3 percentage points to eurozone inflation in the final three months of this year. A quadrupling of natural gas prices in the year to September has already prompted several governments to discuss billions of euros in aid for households and stricken suppliers. “You have to be careful that . . . temporary factors do not lead to second-round effects,” de Guindos said, adding that many EU public sector workers have index-linked pay and pensions that rise in line with inflation. The speed of the economic recovery has also increased inflationary pressures, the OECD said in its outlook. It is “pushing up prices to where we expected them to be before the pandemic”, the Paris based club said. “Policymakers in advanced economies should monitor these developments without delay.” The OECD forecasts that the average inflation rate across the G20 leading economies will hit 4.5 per cent in the fourth quarter of the year, with 1.5 percentage points of that caused by higher shipping costs and commodity prices, such as energy. Since its last forecasts in June, the OECD revised up inflation predictions for 2021 and 2022 for most countries. [Source: FT]

**The global rise in inflation is due to a number of factors such as supply disruption and pent up consumer demand after the easing of lock downs. However, the principal contributory factor is monetary policy that is decoupled from the gold standard. Governments have printed money and given it directly to businesses as well as their citizens. This means more money is chasing a limited supply of goods and services, which is increasing global inflation.**

### Pakistan Calls US Senate Bill Unwarranted

The Foreign Office on Wednesday reacted to the draft bill introduced in the US Senate, seeking sanctions against Pakistan along with the Afghan Taliban, terming the references to the country, which remained the frontline state in the US-led campaign in Afghanistan, “unwarranted”. Separately, Interior Minister Sheikh Rashid Ahmed rejected allegations that Pakistan had provided any military support to the Afghan Taliban. The reaction from the Foreign Office as well as from the interior minister came a day after 22 US senators from the Republican Party moved a draft bill that sought sanctions against the Taliban but also called for assessing the alleged role Pakistan played since 2001 in supporting the insurgent group.

The 57-page draft bill called “Afghanistan Counterterrorism, Oversight, and Accountability Act of 2021” made several references to Pakistan. “An assessment of support by state and non-state actors, including the Government of Pakistan for the Taliban between 2001 and 2020, including the provision of sanctuary space, financial support, intelligence support, logistics and medical support, training, equipping, and tactical, operational, or strategic direction,” read the draft bill. It also calls for an assessment about the alleged role of the state, non-state actors as well as the government of Pakistan in supporting the Taliban offensive leading to the fall of Kabul. The Republican senators further asked the Biden administration to assess the role of Pakistan in supporting the Taliban offensive against Panjshir Valley. “We see that a debate is underway in Washington both in the media and on Capitol Hill to reflect on and examine the circumstances leading to the US withdrawal from Afghanistan. The draft legislation introduced in the US Senate by a group of Senate Republicans seems to be a reaction to this debate,” Foreign Office spokesperson Asim Iftikhar said in a statement. “The legislation includes references to Pakistan that are completely unwarranted,” the foreign office said. The statement termed all such references inconsistent with the spirit of Pakistan-US cooperation on Afghanistan since 2001, including facilitation of the Afghan peace process and during the recent evacuations of American and other nationals from Afghanistan. [Source: Dawn]

**Once again Pakistan’s civilian and military leadership have fallen victims to US interests. The US frequently discards Pakistani leaders as used tissues when its interests are at stake, but despite this Pakistan’s leadership blindly runs behind the US soliciting its support. This slave mentality has eroded Pakistan’s sovereignty and undermined its territorial integrity.**

## **US Generals Express Concern Over Pakistan’s Nuclear Arsenal in Wake of Taliban Takeover of Afghanistan**

Top US generals are claiming that they had warned US President Joe Biden that a rushed withdrawal from Afghanistan could increase risks to Pakistan’s nuclear weapons and the country’s security. “We estimated an accelerated withdrawal would increase risks of regional instability, the security of Pakistan and its nuclear arsenals,” Chairman of the Joint Chief General Mark Milley told the Senate Armed Services Committee on Tuesday. “We need to fully examine the role of Pakistan sanctuary,” the general said, while emphasising the need to probe how the Taliban withstood US military pressure for 20 years. General Milley and General Frank McKenzie, the leader of US Central Command, also warned that the Taliban Pakistan will now have to deal with would be different from the one they dealt with earlier, and this would complicate their relations. “I believe Pakistan’s relationship with the Taliban is going to become significantly more complicated as a result of the US withdrawal from Afghanistan,” General McKenzie told the lawmakers. The Centcom chief also said that the US and Pakistan were involved in ongoing negotiations over the use of a vital air corridor to access Afghanistan. “Over the last 20 years we’ve been able to use what we call the air boulevard to go in over western Pakistan and that’s become something that’s vital to us, as well as certain landlines of communication,” he said. “And we’ll be working with the Pakistanis in the days and weeks ahead to look at what that relationship is going to look like in the future.” [Source: Dawn]

**The only for Pakistan to safeguard its nuclear weapons and other interests is for Khan’s government to cut all links with the US. This should include the expulsion of all US diplomatic and military officials.**