

Headlines:

- **US Fed Cuts Rate for the First Time in more than a Decade**
- **US Approves Sales to Support Pakistan's F-16 Jets after Imran Khan-Trump Meet**
- **China Seeks to Remove Arabic Script and Islamic Images from Restaurants**

Details:

US Fed Cuts Rate for the First Time in more than a Decade

As widely expected, the US Federal Reserve on Wednesday cut the interest rates by a quarter percentage point or 0.25 per cent for the first time since 2008 to insulate the economy from a global slowdown and escalating trade tensions. The short-term benchmark rate now stands between 2 per cent and 2.25 per cent. The US central bank also left the door open for more rate cuts in the coming months. However, Fed chair Jerome Powell, later in the presser, said that the Wednesday's rate cut has been in the pipeline for a while and doesn't necessarily portend a long cycle of rate cuts. Powell said the rate cut should be viewed as a "mid-cycle adjustment" to monetary policy that will help the economy perform as the Fed wants. The rate cut "will work" to help the economy. Eight of the 10 Fed officials voted in favour of a rate cut while two dissented from the decision in favor of holding rates steady. Wall Street appeared unimpressed by the Fed comment as stocks ended in the negative. The Dow Jones Industrial Average closed 333.75 points lower, or 1.2 per cent, at 26,864.27. The S&P 500 slid 1.1 per cent to close at 2,980.38. The Nasdaq Composite fell 1.2 per cent to 8,175.42. [Source: Business Standard]

Despite being the first rate cut in more than a decade, no economist is asking the most obvious question: why do interest rates follow GDP? Conventional economic theory suggests that GDP growth is linked to interest rates. However, the cut by the Fed and US's central bank clearly underscore that both rate cuts follow a drop in GDP. This means that interest rates do not have a huge bearing on GDP as taught in economic text books.

US Approves Sales to support Pakistan's F-16 Jets After Imran Khan-Trump Meet

Days after the meeting between President Donald Trump and Pakistani Prime Minister Imran Khan, the Pentagon notified the Congress on Friday of its decision to approve military sales worth \$125 million that would result in 24x7 end-use monitoring of the F-16 fighter jets of Pakistan. US officials asserted that the freeze in security assistance to Pakistan on Trump's direction since January 2018 was still in place and the latest decision would help it in 24x7 end-use monitoring of the F-16 fighter jets in that country, as this would require the assignment of 60 contractor representatives there to assist in the oversight of the F-16 programme. "There has been no change to the security assistance suspension announced by the president in January 2018. As the president reiterated this week, we could consider the restoration of certain security assistance programmes consistent with the broader tenor of our relationship," a state department spokesperson told PTI. He referred to the notification sent in this regard by the Pentagon to the Congress on Friday. "This proposed sale will support the foreign policy and national security of the United States by protecting American

technology through the continued presence of US personnel that provide 24x7 end-use monitoring,” he said. “The State Department has made a determination approving a possible Foreign Military Sale to Pakistan for Technical Security Team (TST) in continued support of the F-16 program for an estimated cost of USD 125 million,” the Defense Security Cooperation Agency said in a statement. The Pentagon delivered the required certification notifying the Congress of this possible sale on Friday. According to the statement, Pakistan had requested a continuation of technical support services — US government and contractor technical and logistics support services -- and other related elements of logistics support to assist in the oversight of operations in support of the Pakistan Peace Drive advanced F-16 programme. [Source: The Gulf News]

What is the point in receiving F-16s that are monitored around the clock by the US authorities? It means that the fighter planes cannot be used against the US and its allies, and this places severe restrictions on Pakistan’s defence and foreign policy imperatives.

China Seeks to Remove Arabic Script and Islamic Images from Restaurants

China is reportedly telling restaurant owners to remove any images associated with Islam and messages written in Arabic from their stores. Reuters reports employees from 11 various restaurants and shops in Beijing had been told by Chinese officials to remove the images and Arabic signs. The stores visited by the news outlet were all selling halal products. One shop owner, who along with the rest of them declined to give his name due to the sensitivity of the issue, said a government official told him to cover the “halal” in Arabic on his noodle shop sign and watched him do it before leaving. “They said this is foreign culture and you should use more Chinese culture,” the noodle shop owner told Reuters. Several shop owners visited by the news outlet simply covered the Arabic and Islamic imagery and others replaced it with the Chinese term for halal. It is not immediately clear if all of the roughly 1,000 halal shops and restaurants in Beijing have been told to cover the Arabic script and Muslim symbols. The move is the latest step in the Chinese government’s push to have religions conform with Chinese culture, as part of a process to “Sinicize” its Muslim population, according to Reuters. The campaign has reportedly also included having several mosques in China remove Middle Eastern-style domes and replace them with Chinese-style pagodas. China is home 20 million Muslims and ostensibly allows freedom of religion, but the government still adheres to Communist Party ideology and is pushing to bring religions in line with it. One shop owner took issue with “erasing” Muslim culture. “They are always talking about national unity, they’re always talking about China being international. Is this national unity?” a halal butcher shop owner told Reuters. [Source: The Hill and Reuters]

No matter how hard the Chinese authorities try, they will never be able to defeat Islam. Allah (swt) says: **﴿إِنَّ الَّذِينَ كَفَرُوا يُنْفِقُونَ أَمْوَالَهُمْ لِيَصُدُّوا عَن سَبِيلِ اللَّهِ فَسَيُنْفِقُونَهَا ثُمَّ تَكُونُ عَلَيْهِمْ حَسْرَةً ثُمَّ﴾ “Indeed, those who disbelieve spend their wealth to avert [people] from the way of Allah . So they will spend it; then it will be for them a [source of] regret; then they will be overcome. And those who have disbelieved - unto Hell they will be gathered.” [TMQ: 8:36]**