

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(9 December 2019 – 13 December 2019)

Countries	Highlights
<p>US</p> <p>US third-quarter labour cost growth cut; productivity soft</p>	<p>Growth of U.S. labour costs was not as robust as initially thought in the third quarter, suggesting inflation could remain tame in the near term. The sharp downward revision to labour costs, reported by the US Labor Department, also pointed to some easing of the squeeze on profit margins. Corporate profits have been reduced by strong labour cost growth that has outpaced revenue. With worker productivity still sluggish, however, the pace of growth in labour costs is likely to remain solid. Unit labour costs, the price of labour per single unit of output, increased at a 2.5% annualised rate in the third quarter. They were previously reported to have advanced at a 3.6% rate. Compared with the third quarter of 2018, labour costs grew at a 2.2% rate, rather than the previously estimated 3.1%.</p> <p style="text-align: right;"><i>(Source: Reuters, 11 December 2019)</i></p>
<p>UK</p> <p>Britain speeds towards Brexit as Johnson wins large majority in election</p>	<p>Prime Minister Boris Johnson won a resounding election victory on Friday that will allow him to end three years of political paralysis and take Britain out of the European Union by 31 January 2019. Brexit represents the country's biggest political and economic gamble since World War Two, cutting the world's fifth largest economy adrift from the vast trading bloc and threatening the integrity of the United Kingdom. For Johnson, who campaigned on a vow to "Get Brexit Done", victory was a vindication after anti-Brexit opponents tried one maneuver after another to thwart him during his first chaotic months in office. "Leaving the European Union as one United Kingdom, taking back control of our laws, borders, money, our trade, immigration system, delivering on the democratic mandate of the people," he said.</p> <p style="text-align: right;"><i>(Source: Reuters, 13 December 2019)</i></p>
<p>JAPAN</p> <p>Japan Q3 GDP revised up to 1.8% annualised growth</p>	<p>Japan's economy grew an annualised 1.8% in July-September, much more than the initial estimate of a 0.2% expansion, revised data from the Cabinet Office. The revised figure for GDP beat economists' median forecast for a 0.7% rise in a Reuters's poll. On a quarter-on-quarter basis GDP expanded 0.4%, compared with a 0.1% growth in the initial reading and a median forecast of 0.2% growth.</p> <p style="text-align: right;"><i>(Source: Reuters, 9 December 2019)</i></p>
<p>CHINA</p> <p>China auto sales drop for 17th straight month in November</p>	<p>Auto sales in China fell for a 17th consecutive month in November, with the number of new energy vehicles (NEVs) sold contracting for a fifth month in a row. Based on China Association of Automobile Manufacturers (CAAM), the total auto sales in the world's biggest auto market fell 3.6% from the same month a year earlier. That follows a drop of 4% in October and 5.2% in September. Car sales in the country contracted last year for the first time since the 1990s against a backdrop of slowing economic growth and a crippling China-US trade war. The China 5-6 emission standard change is the biggest reason for this year's sales plunge, referring to how local governments had accelerated changes to emission standards this year. In November, sales of NEVs fell 43.7% following a 45.6% drop in October. NEV sales had jumped almost 62% last year even as the broader auto market contracted. NEVs include plug-in hybrids, battery-only electric vehicles and those powered by hydrogen fuel cells.</p> <p style="text-align: right;"><i>(Source: Reuters, 10 December 2019)</i></p>