GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(23 December 2019 – 27 December 2019)

Countries	Highlights
US **US jobless claims fall, point to sustained labour market strength**	The number of Americans filing applications for unemployment benefits fell last week in a sign of ongoing labour market strength. Initial claims for state unemployment benefits decreased 13,000 to a seasonally adjusted 222,000 for the week ended Dec. 21, the Labor Department said. Claims have been volatile in recent weeks around the US holiday season and end of the year. The drop in the latest week largely unwound a surge in new claims two weeks earlier that appeared to reflect a late Thanksgiving Day in 2019 compared to 2018. That could have thrown off the model used by the Government to strip out seasonal fluctuations from the data. In November, the US unemployment rate fell back to 3.5%, the lowest in nearly half a century. *(Source: Reuters, 26 December 2019)*
UK **Britain set to match pre-crisis level of wages in early 2020 - report**	British real wages are expected to climb early in 2020 to levels not seen since before the financial crisis over a decade ago. Pay data adjusted for inflation will be strong at the start of the new year despite economic growth remaining sluggish, raising concerns that the turnaround may not be sustainable, the Resolution Foundation said in its earnings outlook. Growth in the world's fifth-biggest economy has slowed since voters decided in June 2016 that Britain should leave the EU. The labour market, however, has fared well in 2019, with the unemployment rate recently falling back to its lowest level since early 1975. The big question for 2020 is whether (the labour market) can continue its strong run, or whether it will reach a tipping point and reconnect with weaker growth performance. (Source: Reuters, 27 December 2019)
JAPAN **Falling output and retail sales signal Japan's economic strains**	Industrial output slipped for the second straight month in November, raising the likelihood that the economy will contract in the fourth quarter due to slowing demand abroad and at home. Japan's economy has cooled in recent months due to a prolonged hit to exports from soft global demand and a slide in consumer spending following a nationwide tax hike. Official data showed factory output fell 0.9% in November from the previous month, a slower decline than the 1.4% fall in a Reuters forecast. Production was pushed down by a decrease in output of production machinery and information equipment, which offset a bounce back in output of cars and car engines. Separate data released Friday showed retail sales dropped a larger-than-expected 2.1% in November, as consumer sentiment remained depressed after October's sales tax hike. *(Source: Reuters, 26 December 2019)*
CHINA **China to take measures to support jobs amid economic slowdown**	China will step up support for employment to cope with rising pressure on job security due to internal and external challenges. China will step up financial support for private and small firms, including implementing targeted reserve requirement cuts and encouraging banks to boost long-term loans to small firms in the manufacturing sector. The Government will also expand investment appropriately and stabilise foreign trade to boost employment. Further, the Government will extend a policy allowing firms with few or zero layoffs to recover employment insurance premiums and will also give subsidies to some firms for staff training to the end of 2020. A policy of reducing rates for unemployment insurance and work injury insurance will be extended to April 2021. *(Source: Reuters, 24 December 2019)*