

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(30 December 2019 – 3 January 2020)

Countries	Highlights
<p>US</p> <p>Discounts fuel US pick-up truck sales in a slowing market</p>	<p>US automakers on Friday reported another year of stable sales of pick-up trucks, as discounts during the crucial holiday season and lower interest rates on vehicle loans attracted buyers while demand for passenger cars retreated further. Passenger cars have fallen out of favour with buyers amid lower oil prices and automakers have focused on selling larger sport utility vehicles (SUVs) and pick-ups that are also more profitable. December is among the hottest months for auto sales in the US as buyers take advantage of significant discounts provided by the car manufacturers to clear inventory. Analysts expect overall 2019 U.S. sales to fall by about 1% from 2018, but still finish above 17 million vehicles for the fifth consecutive year.</p> <p style="text-align: right;"><i>(Source: Reuters, 3 January 2020)</i></p>
<p>UK</p> <p>UK consumer borrowing rises at slowest rate since 2014; construction sags</p>	<p>British consumers increased their borrowing in November at the slowest rate in more than five years and the construction industry's decline worsened in December, adding to signs of an economy that stalled late 2019. The Bank of England (BoE) said growth in unsecured consumer lending slowed to 5.7% in the 12 months to November, the smallest increase since June 2014. Credit card repayments exceeded borrowing for the first time since July 2013. Household spending has helped Britain's economy through its Brexit slowdown. The construction industry's downturn deepened in December, driven by the sharpest drop in civil engineering activity since 2009, an IHS Markit/CIPS survey showed.</p> <p style="text-align: right;"><i>(Source: Reuters, 3 January 2020)</i></p>
<p>JAPAN</p> <p>Japan business leaders vow to focus on digital innovation to boost economy</p>	<p>Business leaders underlined their determination to further boost digital innovation this year as part of efforts for the country to lead the global economy. Hiroaki Nakanishi, chairman of the Japan Business Federation said the country's most influential business lobby hopes to further develop digital technologies to make people's lives happier and solve social problems. He said the business lobby will be committed to rule-making for digital transformation and economic structural reforms to address the greying and decreasing population in the country. Akio Mimura, chairman of the Japan Chamber of Commerce and Industry, said it is urgently needed to introduce digital technologies to small and mid-size firms across the country to increase their productivity.</p> <p style="text-align: right;"><i>(Source: Japan Times, 1 January 2020)</i></p>
<p>CHINA</p> <p>Exclusive: China to keep same inflation target in 2020 despite food price spike - sources</p>	<p>China has decided to keep its inflation target unchanged this year at around 3%, sources say, suggesting policymakers will continue to roll out more economic support measures while avoiding aggressive stimulus. China has kept its inflation target at around 3% since 2015. While food prices have spiked, there has been little sign of a pick-up in inflation across the broader economy, suggesting demand remains sluggish. Core inflation which excludes food and energy prices has stayed largely subdued. China's CPI accelerated to a near eight-year high of 4.5% in November, as pork prices doubled due to a massive outbreak of African swine fever, but producer prices have remained in deflation for five straight months. The diverging price trends have complicated policymakers' efforts to revive activity without risking over stimulating the economy.</p> <p style="text-align: right;"><i>(Source: Reuters, 3 January 2020)</i></p>