

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(14 December 2020 – 18 December 2020)

Countries	Highlights
<p>US</p> <p>US current account deficit rises to more than 12-year high</p>	<p>The US current account deficit surged to its highest level in more than 12 years in the third quarter as a record rebound in consumer spending pulled in imports, outpacing a recovery in exports. The Commerce Department said the current account deficit, which measures the flow of goods, services and investments into and out of the country, widened 10.6% to USD178.5 billion last quarter. That was the highest since the second quarter of 2008. Data for the second quarter was revised to show a USD161.4 billion shortfall, instead of USD170.5 billion as previously reported. The current account gap represented 3.4% of GDP in the third quarter. That was up from 3.3% in the April-June quarter and the largest since the fourth quarter of 2008. Still, the deficit remains below a peak of 6.3% of GDP in the fourth quarter of 2005 as the US is now a net exporter of crude oil and fuel.</p> <p><i>(Source: Reuters, 18 December 2020)</i></p>
<p>UK</p> <p>UK factories see smaller drop in orders during December - CBI</p>	<p>The decline in British factory orders eased off in December as more of the economy reopened following a second nationwide coronavirus lockdown. The Confederation of British Industry's monthly manufacturing order book balance rose to -25 from November's -40, the strongest reading in 10 months. A Reuters poll of economists had pointed to a reading of -34. The rollout of the COVID-19 vaccine brings hope that conditions for manufacturers will improve in the coming months.</p> <p><i>(Source: Reuters, 18 December 2020)</i></p>
<p>JAPAN</p> <p>Japan raises GDP outlook for FY2021 on lift from stimulus package</p>	<p>Japan raised its economic growth forecast for the next fiscal year thanks to its latest stimulus package aimed at speeding up the recovery following the damage wrought by the coronavirus pandemic. The economy is expected to grow 4.0% in price-adjusted real terms in the next fiscal year starting April 2021, the latest estimate by the Cabinet Office. The new estimate compared with its previous forecast of 3.4% growth projected in July. The upgraded economic assessment was underpinned by the government's third supplementary budget, which was approved earlier this week, to fund the \$708 billion stimulus package to help the economy recover from its COVID-induced slump in the second quarter.</p> <p><i>(Source: Reuters, 18 December 2020)</i></p>
<p>CHINA</p> <p>China's factory recovery steps up as export, consumer demand grows</p>	<p>China's factory output grew at the fastest pace in 20 months in November, as revived consumer spending and a gradual easing of COVID-19 restrictions in major trading partners lifted demand for the country's manufactured goods. Industrial output growth quickened to 7.0% in November from a year earlier, data from the National Statistics Bureau (NBS) showed. An annual sales promotion extravaganza in November by China's e-commerce giants has also open consumers' wallets in a further boost to orders for small factories. Retail sales rose 5% on-year, faster than the 4.3% increase in October. Auto sales saw 11.8% growth and sales of household appliances grew 5.1% in November. Communications equipment sales jumped 43.6%.</p> <p><i>(Source: Reuters, 11 December 2020)</i></p>