

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(17 February 2020 – 21 February 2020)

Countries	Highlights
<p>US</p> <p>U.S. labor market remains strong; manufacturing likely stabilising</p>	<p>The number of Americans filing for unemployment benefits rose modestly last week, suggesting sustained labour market strength that could help to support the economy amid risks from the coronavirus and weak business investment. There was encouraging news on the struggling manufacturing sector, with other data showing factory activity in the mid-Atlantic region accelerated to a three-year high in February, likely as tensions in the 19-month trade war between the US and China diminished. But the coronavirus, which has killed more than 2,000 people, mostly in China, and Boeing's suspension last month of the production of its troubled 737 MAX jetliner, grounded in March 2019 after two fatal crashes, continue to loom over the manufacturing sector.</p> <p>(Source: Reuters, 20 February 2020)</p>
<p>EU</p> <p>Euro zone February business growth better than expected: PMIs</p>	<p>Business activity in the euro zone accelerated more than expected this month, a business survey showed, in welcome news for policymakers at the European Central Bank who are battling to revive growth and chronically low inflation. IHS Markit's Euro Zone Composite Flash Purchasing Managers' Index (PMI), seen as a good gauge of economic health, rose to 51.6 in February from January's final reading of 51.3. Demand remained relatively strong, suggesting there won't be a deterioration next month. The euro zone economy managed to pick up some momentum again in February despite many companies having been disrupted in various ways by the coronavirus, which caused supply problems.</p> <p>(Source: Reuters, 14 February 2020)</p>
<p>JAPAN</p> <p>Japan's factory activity shrinks at fastest pace since 2012 on coronavirus jolt</p>	<p>Japan's factory activity suffered its steepest contraction in seven years in February, as the widening fallout from the coronavirus outbreak in China reinforced the risk of a recession in the world's third-largest economy. The manufacturing downturn offers the clearest evidence yet of the epidemic's damaging effects on global growth and businesses, and is likely to ramp up pressure on Japanese policymakers to increase stimulus. The Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index (PMI) fell to a seasonally adjusted 47.6 from a final 48.8 in January, its lowest since late 2012. The PMI survey showed that new orders declining at the fastest pace in more than seven years, while other indicators such as overall output and backlogs of work also dropped.</p> <p>(Source: Reuters, 21 February 2020)</p>
<p>CHINA</p> <p>Shipping lines, ports count cost as coronavirus hits supply chains</p>	<p>China is struggling to resume normal trade operations as fallout from the coronavirus outbreak hits container shipping lines and logistics chains, with goods stuck and costs mounting, industry officials say. The epidemic has upended global supply chains and caused widespread disruption to businesses and factory activity in China, prompting authorities to deliver a steady stream of policy measures over recent weeks to cushion the blow to growth. The world's biggest container line Maersk (MAERSKb.CO) warned that the coronavirus outbreak would weigh on earnings this year, adding to pressure on a sector already hit by trade wars and an economic slowdown. They are experiencing huge pressure at (Chinese) port terminals because there aren't enough workers at the ports to move the containers around, not enough truck drivers to move the goods, and no one to receive them at the factories or warehouses.</p> <p>(Source: Reuters, 21 February 2020)</p>