

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(21 August 2020 – 25 September 2020)

Countries	Highlights
<p>US</p> <p>US labour market slowing as fiscal stimulus fades</p>	<p>The number of Americans filing new claims for unemployment benefits unexpectedly increased last week, supporting views the economic recovery from the COVID-19 pandemic was running out of steam amid diminishing government funding. The weekly jobless claims report from the Labor Department, the most timely data on the economy's health, also showed 26 million people were on unemployment benefits in early September. Initial claims for state unemployment benefits rose 4,000 to a seasonally adjusted 870,000 for the week ended Sept. 19. Data for the prior week was revised to show 6,000 more applications received than previously reported.</p> <p><i>(Source: Reuters, 24 September 2020)</i></p>
<p>UK</p> <p>UK public borrowing overtakes financial crisis peak</p>	<p>British public borrowing surged again in August to a record high, driven by huge outlays to combat the coronavirus pandemic, with the budget deficit so far this tax year overtaking its full-year peak during the global financial crisis. The government has now borrowed 173.7 billion pounds (USD221.8 billion) in the five months since the start of the financial year in April, outstripping the previous record of 157.7 billion pounds set in the 12 months ending March 2010. Government budget forecasters have warned the deficit could hit 372 billion by the end of the tax year, raising borrowing as a share of GDP to 18.9%, a level not seen since World War Two, far above long-term sustainable rates.</p> <p><i>(Source: Reuters, 25 September 2020)</i></p>
<p>JAPAN</p> <p>Japan upgrades view on exports and output but flags economic weakness</p>	<p>Japan's government upgraded its view on exports, factory output and employment in its September economic report but said its overall assessment was unchanged from last month, as the country continues to struggle with the coronavirus pandemic. With consumers and businesses still cautious as the country battles the virus, the government downgraded its view on consumer spending and business expenditure in the monthly report released on Thursday. Japan's economy shrank an annualised 28.1% in the April-June period, contracting for a third consecutive quarter.</p> <p><i>(Source: Reuters, 24 September 2020)</i></p>
<p>CHINA</p> <p>China's online shopping growth stalls — a sign of slow economic recovery</p>	<p>Chinese fervour for online shopping waned in August, a sign that China's economy still faces many challenges as it tries to boost consumption at home. The Chinese government is trying to develop domestic demand as the primary driver of the country's growth, rather than relying on exports. The coronavirus pandemic this year has accelerated the growth of online shopping, with its share of overall retail sales rising from about one fifth last year to one quarter this summer. But uncertainty about future income and economic growth are proving to be an overhang. For January to August, retail sales were down 8.6% from a year ago to 23.8 trillion yuan (USD3.5 trillion). Online sales of consumer goods and services grew 13.3% in August, slower than the 18.8% growth in July and down from 19% in June.</p> <p><i>(Source: Reuters, 22 September 2020)</i></p>