

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(23 November 2020 – 27 November 2020)

Countries	Highlights
<p>US</p> <p>Rising U.S. weekly jobless claims, COVID-19 cases point to slowing economic recovery</p>	<p>The number of Americans filing first-time claims for jobless benefits increased further last week, suggesting that an explosion in new COVID-19 infections and business restrictions were boosting layoffs and undermining the labour market recovery. Still, the economy got off to a solid start in the fourth quarter, with consumer spending and business investment in equipment topping analysts' expectations in October. Businesses also reported a sharp rebound in profits in the third quarter. That was, however, insufficient to lift the heavy cloud over the economy. Personal income dropped last month and could decline further with about 13.6 million Americans due to lose government-funded unemployment benefits a day after Christmas.</p> <p><i>(Source: Reuters, 25 November 2020)</i></p>
<p>UK</p> <p>Brexit goes down to the wire, as the EU and UK say big differences remain</p>	<p>The European Union and Britain said there were still substantial differences over a Brexit trade deal as the EU chief negotiator prepared to travel to London in a last-ditch attempt to avoid a tumultuous finale to the five-year Brexit crisis. With just five weeks left until the UK finally exits the EU's orbit on Dec. 31, both sides are calling on the other to compromise on the three main issues of contention fishing, state aid and how to resolve any future disputes. From the start of 2021 it will be treated by Brussels as a third country. A "no-deal" exit would snarl borders, spook financial markets and disrupt delicate supply chains that stretch across Europe and beyond just as the world grapples with the vast economic cost of the COVID-19 outbreak.</p> <p><i>(Source: CNBC, 27 November 2020)</i></p>
<p>JAPAN</p> <p>Tokyo core consumer prices suffer biggest annual drop in more than 8 years</p>	<p>Core consumer prices in Tokyo suffered their biggest annual drop in more than eight years, an indication the hit to consumption from the coronavirus crisis continued to heap deflationary pressure on the economy. The data, which is considered a leading indicator of nationwide price trends, reinforces market expectations that inflation will remain distant from the Bank of Japan's 2% target for the foreseeable future. The core consumer price index (CPI) for Japan's capital, which includes oil products but excludes fresh food prices, fell 0.7% in November from a year earlier. It followed a 0.5% drop in October and marked the biggest annual drop since May 2012, underscoring the challenge policymakers face in battling headwinds to growth from COVID-19. The slump in fuel costs and the impact of a government campaign offering discounts to domestic travel weighed on Tokyo consumer prices.</p> <p><i>(Source: Reuters, 26 November 2020)</i></p>
<p>CHINA</p> <p>China's industrial profits grow at quickest monthly pace since early 2017</p>	<p>Profits at China's industrial firms grew in October for a sixth consecutive month and at their quickest pace since early 2017, pointing to a steady recovery in the manufacturing sector after it was hard hit by the COVID-19 pandemic. Profits at Chinese industrial firms surged 28.2% year-on-year in October to 642.91 billion yuan (USD97.79 billion). Zhu Hong, a senior statistician at the NBS, said the sharp jump was helped by rising investment income. It also came from a low base in October 2019. China's industrial sector has seen an impressive recovery from the coronavirus fallout, helped by resilient demand for the country's exports. That growth was driven by the equipment manufacturing and the electronic sectors, while the auto manufacturing sector also saw a steady recovery in profits.</p> <p><i>(Source: Reuters, 27 November 2020)</i></p>