

# GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(27 January 2020 – 31 January 2020)

Countries	Highlights
<p><b>US</b></p> <p><b>US Fed leaves interest rates the same</b></p>	<p>The US Federal Reserve left interest rates unchanged Wednesday as employment and the economy remained strong despite moderate consumer spending. All 10 members of the Federal Open Market Committee (FOMC) voted to keep interest rates between 1.50% and 1.75%. Unemployment is at a 50-year low, but wage growth has slowed despite the tight labour market. Household spending rose at a "moderate pace" while business investment and exports remained weak, leaving open the possibility of a rate change in the future. The rate determines what banks charge each other for overnight lending, but also affects the cost of consumer debt and therefore influences spending and corporate investment.</p> <p style="text-align: right;"><i>(Source: The China Daily, 31 January 2020)</i></p>
<p><b>UK</b></p> <p><b>'We are free': Flag-waving Britons cheer in Brexit</b></p>	<p>Singing patriotic songs and waving Union Jacks, thousands of Britons flocked to a muddy patch of grass outside parliament on a damp Friday night to toast their moment of history: Britain's departure from the European Union. Britain's exit from the EU ends 47 years of union with Europe. It also draws a line under a bitter and divisive wrangle over whether, when and how the country should cut its ties to the bloc. While Prime Minister Boris Johnson kept a low profile at a private reception in his Downing Street office, more than 5,000 people gathered just down the road to loudly celebrate the moment.</p> <p style="text-align: right;"><i>(Source: Reuters, 31 January 2020)</i></p>
<p><b>JAPAN</b></p> <p><b>Japan warns about risks to economy from China virus outbreak</b></p>	<p>Japanese Economy Minister Yasutoshi Nishimura warned that corporate profits and factory production might take a hit from the coronavirus outbreak in China that has rattled global markets and chilled confidence. It could hurt Japanese exports, output and corporate profits via the impact on Chinese consumption and production. Automaker Honda Motor, which has three plants in Wuhan, the capital of Hubei province and the epicenter of the outbreak, plans to evacuate some staff. Fast Retailing, which operates the popular casual clothing chain Uniqlo, said it had temporarily closed about 100 stores in and around Hubei. The outbreak could hit Japanese department stores, retailers and hotels, which count on a boost to sales from an inflow of Chinese tourists visiting during the Lunar Holiday. The Chinese make up 30% of all tourists visiting Japan and nearly 40% of the total sum foreign tourists spent last year, an industry survey showed.</p> <p style="text-align: right;"><i>(Source: Business World, 28 January 2020)</i></p>
<p><b>CHINA</b></p> <p><b>China's factory activity stalls as virus risks grow</b></p>	<p>The Purchasing Managers' Index (PMI) fell to 50.0 in January from 50.2 in December, China's National Bureau of Statistics said on Friday. The reading was in line with analysts' forecasts and hit the neutral 50-point mark that separates growth from contraction on a monthly basis. While the PMI showed activity in some parts of the sector holding up, economists are doubtful the survey provides a meaningful read on the economy given recent developments with the coronavirus and distortions from the Lunar New Year break. More than 200 people have died from the virus in China in the past few weeks, prompting widespread transport curbs and tough public health measures that are weighing heavily on the travel, tourism and retail sectors. Analysts say the fast-spreading virus could hurt first-quarter economic growth.</p> <p style="text-align: right;"><i>(Source: Reuters, 31 January 2020)</i></p>