

## GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(28 September – 2 October 2020)

Countries	Highlights
<p><b>US</b></p> <p><b>U.S. economy contracts at 31.4% annualised rate in second quarter</b></p>	<p>The US economy suffered its sharpest contraction in at least 73 years in the second quarter because of the disruptions from the coronavirus. GDP plunged at a 31.4% annualised rate last quarter, the deepest drop in output since the government started keeping records in 1947, the Commerce Department said. Output was previously reported to have contracted at a 31.7% pace in the second quarter.</p> <p><i>(Source: Reuters, 30 September 2020)</i></p>
<p><b>UK</b></p> <p><b>UK events industry warns of 90,000 COVID job losses</b></p>	<p>Britain's events industry warned Prime Minister Boris Johnson that more than 90,000 people in the exhibitions sector would be made redundant in the coming weeks unless he offered more support to replace a government job furlough scheme. Under rules designed to stop a resurgence of COVID infections, people in Britain are generally not allowed to meet in groups of more than six, making traditional conferences, concerts and other large events impossible to organise. Until now, many jobs in the sector have been supported by a government programme that paid up to 80% of staff wages, but that comes to an end this month. The Events Industry Alliance, an umbrella group for trade bodies, said its members could not afford to use a new scheme, which offers a smaller amount of government support to businesses that bring workers back on reduced hours. Sunak said last week the government would only support "viable" jobs from next month onwards, which in practice means those where employers are able to pay staff just over half their normal wages and recognised there would be job losses to come.</p> <p><i>(Source: Reuters, 2 October 2020)</i></p>
<p><b>JAPAN</b></p> <p><b>Japan's factory output rises for third month in August</b></p>	<p>Japan's factory output rose for the third straight month in August, in a positive sign for manufacturers as economic activity gradually recovered further from the impact of the coronavirus pandemic. Official data released showed factory output increased 1.7% in August from the previous month, boosted by rebounding production of automobiles and car parts as well as iron, steel and non-ferrous metals. But analysts said the recovery in car output was expected to fade in the coming months as a resurgence in coronavirus infections around the world would likely lead to weaker demand.</p> <p><i>(Source: Reuters, 30 September 2020)</i></p>
<p><b>CHINA</b></p> <p><b>China's factory activity accelerates at solid pace in September on boost from overseas demand</b></p>	<p>China's factory activity extended solid development in September as the country's important exports engine accelerated on enhancing overseas demand and highlighted a constant financial healing from the coronavirus shock. The main production Purchasing Manager's Index (PMI) increased to 51.5 in September from 51.0 in August, according to National Bureau of Statistics. The main PMI, which mostly focuses on huge and state-owned companies, likewise revealed the sub-index for brand-new export orders stood at 50.8 in September, enhancing from 49.1 a month previously and snapping 8 months of decreases. The indications of more powerful overseas demand were likewise highlighted in the Caixin/Markit Manufacturing Purchasing Managers' Index (PMI), which focuses more on little and export-oriented companies. Its gauge for brand-new export orders increased at the fastest pace in over 3 years.</p> <p><i>(Source: Reuters, 30 September 2020)</i></p>