

# GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(6 April 2020 – 10 April 2020)

Countries	Highlights
<p><b>US</b></p> <p><b>US consumer prices post largest drop in five years amid coronavirus disruptions</b></p>	<p>US consumer prices fell by the most in more than five years in March and further decreases are likely as the novel coronavirus outbreak suppresses demand for some goods and services, offsetting price increases related to shortages resulting from disruptions to the supply chain. With the country virtually at a stand-still, the economy rapidly contracting and millions unemployed as state and local governments adopt stiff measures to control the spread of COVID-19, economists are predicting the disinflationary trend will persist for a while or even a short period of outright deflation. CPI dropped 0.4% last month amid a tumble in the cost of gasoline and record decreases in hotel accommodation, apparel and airline ticket prices. Deflation, a decline in the general price level, is harmful during an economic downturn as consumers and businesses can delay purchases in anticipation of lower prices. It can also distort monetary policy, the labour market and signals from stock and real estate prices.</p> <p>(Source: Reuters, 10 April 2020)</p>
<p><b>UK</b></p> <p><b>UK economy struggled before coronavirus crisis escalated</b></p>	<p>Britain's economy was almost stagnant in the three months to February, before the coronavirus crisis escalated and pushed the country into what is likely to be a historic recession. GDP rose by 0.1% in the December-February period, the Office for National Statistics said, weaker than a median forecast for growth of 0.2% in a Reuters poll of economists. The coronavirus lockdown will mean that in March and April GDP will fall at a speed and magnitude no one has ever seen and no economy has ever experienced before.</p> <p>(Source: Reuters, 9 April 2020)</p>
<p><b>JAPAN</b></p> <p><b>Japan's wholesale prices mark first fall in five months as pandemic hits global demand</b></p>	<p>Japan's wholesale prices marked the first annual decline in five months in March, suggesting that slumping global demand for oil and raw material due to the coronavirus pandemic will weigh on inflation in coming months. The corporate goods price index (CGPI), which measures the price companies charge each other for their goods and services, fell 0.4% in March from a year earlier. The drop was bigger than a median market forecast for a 0.1% decline and followed a 0.8% rise in February. It was the first year-on-year fall since last October, when prices fell 0.3%. Prices of oil and coal prices fell 10.3% in March from a year earlier, while those of non-ferrous metal goods were down 7.6%. Wholesale prices, considered a leading indicator for consumer inflation, have been under pressure from slumping oil and metal costs as the pandemic paralyzes global economic activity.</p> <p>(Source: Reuters, 10 April 2020)</p>
<p><b>CHINA</b></p> <p><b>China March PPI falls 1.5% y/y, biggest drop in 5 months; CPI +4.3% y/y</b></p>	<p>China's factory gate prices fell 1.5% March year-on-year, marking the sharpest decline in five months and suggesting the economy remains some way off from mounting a durable recovery from the coronavirus shock that shut down the country. The producer price index reading, published by the National Bureau of Statistics, compared with a median forecast of a 1.1% fall tipped by a Reuters poll of analysts and a 0.4% drop in February. March's downturn was also the sharpest drop since the 1.6% decline in October 2019. Consumer inflation rose 4.3% in March from a year earlier compared with a 4.8% rise tipped by a Reuters poll and a 5.2% rise in February. This marked the slowest rate since a 3.8% rise in October 2019.</p> <p>(Source: Reuters, 10 April 2020)</p>