

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(26 October 2020 – 30 October 2020)

Countries	Highlights
<p>US</p> <p>US consumer spending beats forecasts; worries over decreasing government money</p>	<p>US consumer spending rose more than expected in September, but decreasing benefits for millions of unemployed Americans, cooling temperatures and a resurgence in COVID-19 cases across the nation could crimp spending in the fourth quarter. More than USD3 trillion in government pandemic relief, which included a weekly unemployment benefits subsidy, spurred record economic growth in the third quarter. Consumer spending, which accounts for more than two thirds of US economic activity, increased 1.4% last month after gaining 1% in August. Consumers boosted purchases of goods like new motor vehicles, clothing and footwear. They also lifted spending on healthcare, membership clubs, as well as outlays at sports centres, parks, theatres and museums.</p> <p><i>(Source: Reuters, 30 October 2020)</i></p>
<p>Euro Zone</p> <p>'Eat out to help out' offer contributed to UK second COVID wave: study</p>	<p>The British government's "Eat out to help out" discount scheme to boost spending at restaurants, cafes and pubs over the summer helped spread the coronavirus and contributed to a second wave of infections. For the month of August, the Government offered diners up a 50% discount of up to 10 pounds (USD13.03) per head on meals between Mondays and Wednesdays to kick-start the economy and encourage people to spend money again after the pandemic lockdown. Between 8% and 17% of newly detected infection clusters could be linked to the scheme during that period, according to the study by the University of Warwick. Areas where there was a high uptake of the scheme saw an increase in new infections about a week after it started. Meanwhile, the research said those same areas saw a decline in new infections a week the discount offers finished.</p> <p><i>(Source: Reuters, 30 October 2020)</i></p>
<p>JAPAN</p> <p>Japan's retail sales fall for seventh straight month hurt by coronavirus</p>	<p>Japanese retail sales fell for the seventh straight month in September as COVID-19 kept a lid on consumers' shopping appetite, underscoring the fragile economic recovery from this year's slump. As the harm from the health crisis remains deep, Japanese Prime Minister Yoshihide Suga will announce next week a plan for fresh stimulus to help the recession-stricken economy. Retail sales fell 8.7% in September from a year earlier, a bigger fall than a median market forecast for a 7.7% drop. Spending on items such as cars, consumer appliances and clothing declined last month, causing a big fall in the retail sales. Analysts also said the year-on-year decline was exacerbated as people rushed to buy ahead of a sales tax hike in October last year.</p> <p><i>(Source: Reuters, 29 October 2020)</i></p>
<p>CHINA</p> <p>China to set detailed economic targets for 2021-2025</p>	<p>China will set detailed economic targets for the 2021-2025 to help promote higher quality growth, following a meeting of top Chinese leaders. The Government dropped its annual GDP growth target in 2020 for the first time since 2002 because of the uncertainty caused by COVID-19, but it still set targets for employment, inflation and the fiscal deficit. China aims for sustained and healthy economic development in the next five years, with an emphasis on higher quality growth. Targets are expected to be announced when the five-year plan is approved at the annual parliament meeting in early 2021. Government think tanks and economists had made recommendations for average GDP growth targets including around 5%, 5-5.5% to 5-6%.</p> <p><i>(Source: Reuters, 30 October 2020)</i></p>