

GLOBAL WEEKLY ECONOMIC NEWS IN THE ADVANCED ECONOMIES

(10 May 2021 – 14 May 2021)

Countries	Highlights
<p>US</p> <p>US retail sales pause, record savings seen supporting spending</p>	<p>US retail sales unexpectedly stalled in April as the boost from stimulus checks faded, but an acceleration is likely in the coming months amid record savings and a reopening economy. The unchanged reading in retail sales last month followed a 10.7% surge in March. Retail sales surged 51.2% on a year-on-year basis. A 2.9% rise in motor vehicles purchases was offset by declines in spending elsewhere. Sales at clothing stores tumbled 5.1%. There were also decreases in sales at sporting goods, hobby, musical instrument, and bookstores. Sales at building material stores slipped 0.4%. Online retail sales fell 0.6%. Sales at furniture stores dropped 0.7%. Consumers also increased spending at restaurants and bars, leading to a 3.0% rise in receipts.</p> <p><i>(Source: Reuters, 14 May 2021)</i></p>
<p>UK</p> <p>UK house price gauge hits highest since 1988 - RICS</p>	<p>A measure of British house price inflation hit its highest level since the late 1980s in April as buyers raced to take advantage of an extended tax break just as sellers retreated from the market. The Royal Institution of Chartered Surveyors' gauge of house prices which reflects the proportion of surveyors reporting price increases jumped in April to +75, its highest level since 1988, from +62 in March. Other indicators have also shown that a surge in the housing market was given fresh momentum by finance minister Rishi Sunak's announcement on March 3 that he was extending temporarily a cut to a tax on property purchases. Sunak also announced a new mortgage guarantee scheme for first-time buyers who cannot afford large deposits.</p> <p><i>(Source: Reuters, 13 May 2021)</i></p>
<p>JAPAN</p> <p>Japan PM advisers urge minimum wage hikes, stick to fiscal reform</p>	<p>The private-sector advisers to Japanese Prime Minister Yoshihide Suga called for raising minimum wages this fiscal year to stimulate private consumption as Japanese economy struggles to contain a prolonged coronavirus pandemic. The four advisers at the Council for Economic and Fiscal Policy called on the government to stick to its budget-balancing target as massive coronavirus-related spending has strained the industrial world's heaviest public debt burden. If the economy makes a progress towards normalisation with the help of vaccinations, real GDP is expected to return to pre-pandemic levels as early as this autumn. However, downside risks warrant close attention given that a third state of coronavirus emergency was enacted for the capital, Tokyo, and some other areas in late April and has been extended until the end of this month.</p> <p><i>(Source: Reuters, 14 May 2021)</i></p>
<p>CHINA</p> <p>China's FDI inflow surges nearly 40 pct in Jan-April</p>	<p>China remains a popular destination for overseas investors, with a surge in foreign direct investment (FDI) during the January-April period. FDI into the Chinese mainland, in actual use, rose 38.6% year on year to 397.07 billion yuan (USD61.45 billion) in the first four months of the year. The volume rose 30.1% from the same period in 2019. Foreign investment in the services industry soared 46.8% year on year to 312.94 billion yuan, with foreign investment in the high-tech services sector up 34%. From January to April, investment from the Association of Southeast Asian Nations expanded 65.2% year on year, and investment from countries along the Belt and Road and the European Union, respectively, rose 62.8% and 9.2%.</p> <p><i>(Source: Xinhua, 14 May 2021)</i></p>